

(888) 205 - 6036 (505) 212 - 0494 operations@horizontrust.com

Horizon Trust Correspondence, PO BOX 27068, Newark NJ 07101

### PART 1. ACCOUNT OWNER INFORMATION

Account Type:

- Traditional IRA       Roth IRA       SEP IRA       SIMPLE IRA  
*(Funds have been in the account for at least 2 years)*
- Inherited Traditional IRA       Inherited Roth IRA

First Name:  M.I.:  Last Name:  Account #:

Last 4 SSN Digits:  Date of Birth: (MM/DD/YYYY)  Email Address:

### PART 2. REASON FOR DISTRIBUTION

#### For Traditional IRA / SEP IRA / SIMPLE IRAs

If no option is checked, we will default to "Normal Distribution" or "Premature Distribution" based on your age.

Normal Distribution *(Over age 59½, includes Required Minimum Distributions (RMDs))*

Premature Distribution

Death Distribution from Inherited Traditional IRA

#### For Roth IRAs

If no option is checked, we will default to "Normal Distribution" or "Premature Distribution" based on your age.

Normal Distribution *(Over age 59½ and 5-Year Rule has been met)*

Premature Distribution

Death Distribution from Inherited Roth IRA

### PART 3. DISTRIBUTION AMOUNT & FREQUENCY

Indicate the amount and frequency of each payment. All accounts are required to maintain a minimum cash balance of \$500. If your request would drop your balance below this amount, the request may not be processed. Recurring distributions will continue until we receive written direction from you to cancel.

Gross Amount Per Payment:  Date to Begin (MM/DD/YYYY):  Payment Occurrence:  Monthly  Quarterly  Annually

Check here if you would like to distribute RMD amount. **RMD payments can only be distributed Annually**

**!** **IMPORTANT:** To ensure this recurring distribution request will be processed by your selected start date, you must have available funds in your account and this distribution request must be received (with a copy of a voided check for ACH payments) no later than 10 business days before the selected start date.

### PART 4. DISTRIBUTION DIRECTION

Please select a direction for this Recurring Distribution Request.

New or Additional Setup  Replaces Existing Payment  Stop or Cancel Existing Payment

### PART 5. WITHHOLDING INFORMATION (Form W-4R/OMB No. 1545-0074)

Your withholding election will remain in effect until you change or revoke it. If no option is selected below, 10% Federal Withholding will apply and any previous withholding election will be revoked.

#### Federal Withholding (Select one option)

Withhold the following percentage of Federal Income Tax from the amount withdrawn: (Must be 10% or greater.)  %

**DO NOT** withhold Federal Income Tax

**!** I understand that I am liable for the payment of federal income tax on the amount of any distribution received and that I may be subject to penalties under the estimated tax payment rules if my payments of the estimated tax and withholding are insufficient.

#### State Withholding (Select one; If no option is selected for state withholding, the required withholding may apply. Refer to page 5-7 for the required state withholding)

The elections below will apply to the following Withholding State:

Withhold the following percentage of State Income Tax from the amount withdrawn:  %

**DO NOT** withhold State Income Tax (Varies by state; Please check your state's laws to determine eligibility.)

**!** I understand that I am liable for the payment of state income tax on the amount of any distribution received and that I may be subject to penalties if my payments are insufficient.

## PART 6. PAYMENT METHOD

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**Option 1. Check** (See current Fee Schedule for applicable fees.)

Send check via:  Regular Mail  Overnight Mail (\$50.00)  Cashier's Check + Overnight Mail (\$50.00)

Payee Name:  Payee Tax ID #:

Payee Address:  City:  State:  Zip:

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**Option 2. Direct Deposit**

Bank Name:  Phone:   Check here if separate funding instructions or additional information is attached.

Payee Name: (On bank account)  Payee Tax ID #:

Payee Address:  City:  State:  Zip:

Type:  Checking  Savings Bank Account #:  ABA (Routing) #:

## PART 7. ACCOUNT OWNER AUTHORIZATION

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**Important: Please read before signing.**

I certify that I am authorized to take distributions from this retirement account and all information provided by me is true and accurate. I confirm receipt of the State Withholding Notice Information. I understand this is a self-directed account meaning that I am solely responsible for the selection, due diligence, management, review, retention and liabilities of all investment(s) and for the accuracy of the instructions provided to the Custodian or Administrator to fulfill those investments. I understand the Custodian and Administrator are not fiduciaries and do not provide investment, tax or legal advice. I expressly assume all liability, and agree Custodian is not responsible, for any consequences that may arise from this distribution.

Signature of IRA Owner:  IRA Owner Name: (Print or Type)  Date: (MM/DD/YYYY)

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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-4R.

**Purpose of Form W-4R.** Unless you elect otherwise, 10 percent federal income tax will be withheld from payments from individual accounts (IRAs). You can use Form W-4R (or a substituted form, such as this form), provided by the custodian, to instruct your custodian to withhold no tax from your IRA payments or to withhold more than 10 percent. This substitute form should be used only for distributions 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 distribution 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 distribution delivered outside of the U.S. or its possessions. Distributions by 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-BEN 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-4R with the custodian and check the appropriate box on that form. If you receive a Form W-4R or substitute form and do not make a withholding election, you will be deemed to have revoked your prior withholding election and 10% federal income tax will be withheld.

**Statement of Income Tax Withheld From Your IRA.** By January 31 of next year, your 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-4R will not be sent to the IRS by the custodian.

You must supply all requested information for the distribution so the custodian can properly report the distribution on IRS Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*

**State Withholding.** Depending on your state of residency, the custodian may be required to withhold state income tax at a rate specified by your state, unless you waive it.

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This guide provides general information about state withholding requirements for IRA distributions. This material is for informational purposes only and is not intended to provide a complete overview of state withholding rules and regulations, and may not reflect their application in every circumstance for all individuals. The information on this guide is obtained from state revenue authorities, and every effort has been made to ensure its accuracy. Because state tax laws are subject to constant change and interpretation, often without prior notice, this guide's content reflects information available as of its revision date only and its timeliness and accuracy cannot be guaranteed. The information provided on this guide should not be relied upon, and is not intended, as tax, legal, or accounting advice.

## General Rules

In most cases, state withholding applies to state residents only.

Financial organizations are required to offer state withholding for states in which they have a presence. Financial organizations that conduct business in a state in which they do not have a physical presence should review the withholding regulations in those states to determine if they are also required to comply with those states' withholding requirements.

If a state withholding election is not made and state withholding is required, state tax will be withheld.

A state withholding election may be changed at any time and will apply to payments made after the change.

## Mandatory State Withholding

These states have mandatory withholding requirements, including states where withholding is voluntary for the IRA owner but becomes mandatory for the financial organization upon the IRA owner's election to have state withholding apply.

**Arkansas.** IRA distributions are subject to state withholding at 3.0% of the gross payment, unless the IRA owner elects no state withholding.

**California.** California provides three withholding methods: (1) an amount determined using the California withholding schedules (see Form DE-4P); (2) a dollar amount designated by the IRA owner; (3) 10% of the amount of federal withholding. An IRA owner may also elect no state withholding. This form supports methods 2 and 3. To use method 1, the IRA owner should contact the financial organization to confirm they can support the method and furnish them with Form DE-4P. The form may be obtained from the California Employment Development Department.

**Connecticut.** Taxable lump-sum IRA distributions are subject to mandatory state withholding at 6.99% of the gross payment. Any other taxable distribution from an IRA is subject to state withholding at 6.99% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form CT-W4P. Form CT-W4P may be obtained from the Connecticut Department of Revenue Services.

**Delaware.** State withholding is required for IRA distributions that are subject to required federal withholding. A rate of 5.0% of the gross payment will apply by default. An IRA owner may elect state withholding at a rate of not less than 5% of the gross payment if they elect out of federal withholding.

**District of Columbia.** Lump-sum IRA distributions (i.e., total distributions) are subject to mandatory state withholding at 10.75% of the gross payment, except for any after-tax amount in a lump-sum distribution or a trustee to trustee transfer between IRAs. Only nonresidents of DC (or those whose residential status is in question) may waive withholding by providing the financial organization with Form D-4A. For more information, refer to the DC office of Tax and Revenue.

**Georgia.** IRA distributions are subject to state withholding only when the IRA owner elects state withholding. Use the Georgia Department of Revenue bonus rate table that applies to bonus wages to determine what percentage to withhold. The IRA owner must calculate an amount to withhold based on this percentage, and must furnish the financial organization with a completed Form G-4P. The form and the bonus rate table may be obtained from the Georgia Department of Revenue.

**Indiana.** IRA distributions are subject to state withholding only when the IRA owner requests state withholding and the financial organization is located in Indiana. The request for withholding must be made in writing using Form WH-4, which may be obtained from the Indiana Department of Revenue. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment). Only flat whole-dollar amounts may be withheld.

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**IOWA.** If the IRA owner does not qualify for the retirement income exclusion, IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment. Amount withheld must be at least \$10. The IRA owner must furnish Form IA W-4P to the financial organization indicating their qualification for the retirement income exclusion or withholding election. For more information, refer to the Iowa Department of Revenue.

**Kansas.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing. Withholding may not be waived unless federal withholding is not required.

**Maine.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from that payment. If an IRA owner opts out of federal withholding, they may request to have state tax withheld on Form W-4ME. The form may be obtained from Maine Revenue Services.

**Maryland.** IRA distributions are subject to state withholding only when the IRA owner elects state withholding. The IRA owner must furnish the financial organization with a completed Form MW507P indicating an amount to withhold. Form MW507P may be obtained from the Maryland Department of Revenue.

**Massachusetts.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment. If the total annual payment is more than \$1,053,750, the financial organization should withhold the lesser of (1) 9% of the amount of the distribution or (2) 9% of the total amount in excess of \$1,053,750 plus 5% of the amount that does not exceed \$1,053,750. An IRA owner may opt out of state withholding if the distribution is excluded from taxation under Massachusetts law; the IRA owner must provide their financial organization with Form M-4P. For more information, and to obtain Form M-4P, refer to the Massachusetts Department of Revenue.

**Michigan.** Any taxable distribution from an IRA received by an IRA owner or beneficiary born after December 31, 1945, is subject to state withholding at 4.25% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form MI W-4P. Withholding also applies to any taxable distributions received by an IRA owner or beneficiary born before 1946 that exceeds certain income thresholds. Withholding is not required on qualified distributions from Roth IRAs. Form MI W-4P may be obtained from the Michigan Department of Treasury.

**Minnesota.** IRA distributions are subject to mandatory state withholding of 6.25% of the gross payment, unless the IRA owner furnishes the financial organization with Form W-4MNP indicating their election to not withhold Minnesota income tax or to elect a different withholding amount or percentage. Form W-4MNP may be obtained from the Minnesota Department of Revenue. (See Form W-4MNP instructions for important information about certain exceptions to state withholding and prior elections.)

**Mississippi.** IRA distributions that are federally defined as early or excess distributions are subject to state withholding. The Mississippi Withholding Income Tax Tables provide two withholding rates: 0% and 4.7%. The 4.7% rate applies if state withholding applies, unless the IRA owner qualifies for the 0% rate. The IRA owner must furnish the financial organization with Form 89-350 if they wish to apply the 0% rate. The form and tax tables may be obtained from the Mississippi Department of Revenue. Any amount withheld must be rounded to the nearest whole dollar.

**Missouri.** IRA distributions are subject to state withholding at 4.95% of the gross payment, unless the IRA owner elects no state withholding by providing the financial organization with their election to waive withholding on Form MO W-4P. The form may be obtained from the Missouri Department of Revenue.

**Montana.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if it would result in a net payment of less than \$10. IRA owners must furnish the financial organization with Form MW-4. The form may be obtained from the Montana Department of Revenue.

**Nebraska.** IRA distributions are subject to state withholding at 5% of the gross payment if federal income taxes are withheld from the payment and the payment is not a premature distribution. If an IRA owner opts out of federal withholding, they may request to have additional state tax withheld on Form W-4N. For more information, refer to the Nebraska Department of Revenue.

**New Jersey.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. The IRA owner must specify an even dollar amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment). IRA owners must specify their state withholding election on Form NJ-W-4P and provide it to their financial organization. The form may be obtained from the New Jersey Division of Taxation.

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**New Mexico.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment).

**North Carolina.** IRA distributions are subject to state withholding at 4.0% of the gross payment or state withholding may be waived. Form NC-4P must be furnished to the financial organization specifying the IRA owner's election. An election must be made on a distribution-by-distribution basis. Form NC-4P may be obtained from the North Carolina Department of Revenue.

**Oklahoma.** IRA distributions are subject to state withholding at 4.75% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing. IRA owners must furnish their financial organization with Form OK-W-4-R specifying their withholding election. The form may be obtained from the Oklahoma Tax Commission.

**Oregon.** IRA distributions are subject to state withholding at 8.0% of the gross payment, unless the IRA owner elects no state withholding by furnishing Form OR-W4 to the financial organization. The form may be obtained from the Oregon Department of Revenue.

Utah. IRA distributions are subject to state withholding at 4.55% only when the IRA owner elects state withholding. For more information, refer to the Utah State Tax Commission Publication 14, Withholding Tax Guide – Utah Withholding Information and Tax Tables.

**Vermont.** IRA distributions are subject to state withholding at 30% of the IRA owner's federal withholding election of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**Wisconsin.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$5 (per payment).

## No State Withholding

State withholding is not applicable in the following states.

- Alaska
- Florida
- Hawaii
- Nevada
- New Hampshire
- New York (except for certain IR annuity payments)
- South Dakota
- Tennessee
- Texas
- Washington
- Wyoming

## Voluntary State Withholding

IRA trustees and custodians may offer but are not required to withhold on a state withholding election for the following states.

- Alabama
- Arizona
- Colorado
- Idaho
- Illinois
- Kentucky
- Louisiana
- North Dakota
- Ohio
- Pennsylvania
- Rhode Island
- South Carolina
- Virginia
- West Virginia