

Periodic Payment Instruction for Accountholders 70½ and Older

Custodian/Trustee Information

Name _____
Attn: _____ Phone _____
Address _____
City, State, Zip _____

Accountholder Information

Name _____
Home Address _____
City _____ County _____
State _____ Zip _____ Date of Birth _____
Phone: Home _____
SSN _____ Plan No. _____

Accountholder's Instruction to Custodian/Trustee

I hereby instruct you, by the option completed and selected, to distribute my IRA funds to me in equal or substantially equal periodic payments over the period specified. I can choose any option as long as the annual distribution equals or exceeds the amount required by the required minimum distribution (RMD) rules. Alternatively, I may select (4) to instruct you that I am using the alternate method.

1. I request you to pay me an annual amount which shall equal the amount of my Required Minimum Distribution (RMD) with respect to this IRA.
2. I request you to pay me an annual amount equal to \$_____ or the amount which equals my required minimum distribution amount, whichever is greater. You shall pay this amount to me over a period of _____ years.
3. I request you to pay me an amount equal to the interest to be paid to the account during the next year, or the amount which equals my required minimum distribution amount, whichever is greater. You shall pay this amount to me over a period of _____ years.
4. I elect to use the alternative method (as summarized on the reverse side) and therefore I will not be taking a distribution from the IRA referenced above, but I will be taking it from another IRA which I maintain. This instruction shall govern the current year and all subsequent years until I notify you otherwise.
5. Other: _____

Purpose of Form

The IRA accountholder uses this form to establish a periodic payment schedule that complies with the requirements of section 408(a)(6) and the proposed regulation 1.408-8. This form is designed to be used by those IRA accountholders who will attain age 70 1/2 or older during the current year.

Format of Payment

Commencing on _____ and each
 annual monthly quarterly or semi-annual
anniversary, you shall pay the pro rata portion of the annual amount. This periodic payment will initially be:
\$_____.

I instruct you to make payments to:

- Me directly by mail to:
 the address given above; or

- My regular savings account or share account

- My checking account # _____
- Other/Special Instruction _____

Special Conditions: The above method of distribution will terminate once all the funds are distributed. I hereby certify that the annual amount indicated above will equal or exceed my required minimum distribution amount for that year. I reserve the right to modify this distribution schedule at any time as long as such revised schedule will comply with the required minimum distribution rules.

Withholding Certificate for IRA Pension or Annuity Payments

The instructions to this substitute Form W-4P are on the reverse side, as well as additional discussion of special withdrawal topics. Select #1, #2, or #3.

1. I elect **NOT** to have income tax withheld from this IRA distribution.
2. I elect to have income tax withheld from this IRA distribution equal to 10% of the amount withdrawn.
3. I want the following additional amount withheld from each IRA payment. \$_____

When signing the withholding certification, I signify that I understand that the initial distribution is subject to federal income tax withholding unless I elect to not have it apply. I also understand that my initial instruction will stay in effect until I change it, and that this distribution may have income tax consequences; therefore I should consult a tax advisor as necessary. If I do not have sufficient income tax withheld, then I realize that I may have to pay additional tax penalties under the withholding and estimated tax payment rules. I am aware that whatever portion of this distribution is a required minimum distribution is not eligible to be rolled over.

Signature of IRA Accountholder

Date

Custodian/Trustee (Payer)

Date

IRA Distribution

Instructions to Accountholder or Beneficiary — Withholding — Substitute Form W-4P

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to request additional Federal income tax withholding from your pension or annuity, choose not to have income tax withheld, when permitted, or change or revoke a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Purpose

This form is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities, including commercial annuities, and certain other deferred compensation. Use this form to tell payers the correct amount of Federal income tax to withhold from your payment(s). You also may use this form to choose (a) not to have any income tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution.

You can use this substitute Form W-4P or the actual IRS Form W-4P to instruct your payer to withhold or not withhold. By January 31 of next year, you will receive a statement from your payer (i.e. Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.) showing the total amount of your IRA or pension or annuity payments and the total income tax withheld during the year.

Copies of Form W-4P will not be sent to the IRS by the payer, regardless of the number of allowances claimed.

What Do I Need To Do?

Recipients who want no tax to be withheld must check box 1 and sign the form. Recipients who want 10% of the amount withdrawn withheld should check box 2 and sign the form. Recipients who want more

than 10% withheld should check box 2 and complete line 3 and sign the form.

Other Income:

If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, taxable social security), you should consider making estimated tax payments using **Form 1040-ES**, Estimated Tax for Individuals. Call 1-800-TAX-FORM or 1-800-829-3676 for copies of Form 1040-ES and **Pub. 505**, Tax Withholding and Estimated Tax. You can also get forms and publications at the IRS's Internet Web Site at www.irs.gov.

Withholding Notice Requirement and Changes and Revocations —

The payments you receive from your IRA are subject to Federal income tax withholding unless you elect not to have withholding apply. However, if you fail to furnish your taxpayer identification number (i.e. social security number), your election to have no tax withheld will not apply. You may elect not to have withholding apply or elect to have withholding apply by returning this form to us. Your most current election remains in effect until you revoke it or change it. You may revoke or change your election at any time by completing a new form and returning it. Since your IRA payments are payable upon demand, your IRA withdrawals are considered to be nonperiodic and are subject to a ten (10) percent rate of withholding. If your withholding and estimated tax payments are insufficient, you may incur tax penalties.

Generally, your election to have no tax withheld will apply to any later payment from the same plan or IRA. You cannot use line 2 to change the way tax is withheld. But you may use line 3 to specify that an additional amount be withheld.

With respect to a periodic distribution, your payer must notify you each year of your right to elect to have no tax withheld or to revoke your election. A periodic distribution is one that you receive in installments at regular intervals over a period of more than one full year. For periodic payments, your Form W-4P stays in effect until you change or revoke it.

Limitations of this Substitute Form W-4P

This substitute form cannot be used if payments from your IRA are not payable upon demand.

IRS Form W-4P should be used if the payments are not payable upon demand.

Nonperiodic payments from an IRA payable upon demand will have income tax withheld at a flat 10% rate. The rate for a qualified total distribution does not apply to a payment from an IRA.

Nonperiodic payments. If you previously chose not to have income tax withheld and you now want withholding, write "Revoked" next to the checkbox on line 1 and submit form W-4P to your payer.

Caution/Warning: Remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. New retirees especially, should see Publication 505. 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 pension or annuity using Form W-4P.

Completing the Withholding Portion

- (1) Fill in your name;
- (2) Make your instruction to withhold or not withhold; and
- (3) Sign, date and return it to the financial institution.

Payments Outside the United States

If you are a U.S. citizen or resident alien receiving periodic or nonperiodic payments that are delivered outside the United States or its possessions, withholding is required. You **cannot** choose not to have income tax withheld on line 1 of Form W-4P.

Other recipients, such as nonresident aliens, who have these payments delivered outside the United States or its possessions may choose not to have income tax withheld only if an individual certifies to the payer that the individual is **not (a)** a U.S. citizen or resident alien or **(b)** an individual to whom section 877 applies (concerning expatriation to avoid tax). The certification must be made in a statement to the payer under penalties of perjury. A nonresident alien who chooses not to have income tax withheld under section 3405 is subject to withholding under section 1441 and should complete **Form W-BEN**, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, if applicable.

Explanation — Option to Use the Alternative Method for Required Minimum IRA Distributions

A summary of this alternative method is set forth below:

The IRS has chosen to modify the alternative method rules originally set forth in Notice 88-38. The rule is unchanged that the RMD must be calculated separately for each IRA which an individual owns. Such RMDs must then be totaled and such total may be taken from just one of the IRAs or it can be taken from any combination of the IRAs. However, the IRS has created a new rule — only the RMDs of "like-kind" IRAs may be aggregated for purposes of this special distribution rule. Examples of "like-kind" IRAs;

1. traditional IRAs of a person who holds them as an accountholder;
2. traditional IRAs of a person who holds them as a beneficiary as long as related to the same deceased IRA accountholder (i.e. an inherited IRA); and
3. Roth IRAs of a person who holds them as a beneficiary of the same deceased IRA accountholder (i.e. an inherited Roth IRA):

A distribution from an IRA which is not of the same type may not be used to satisfy the RMD requirement of another type of IRA. For example, if John Doe inherits two IRAs from his dad and one IRA from his mom, then he may aggregate the two IRAs he inherited from his dad, but he may not aggregate these two with the inherited one from his mom.

Traditional IRAs, Roth IRAs, and section 403(b) plans are three different types, so the three may not be aggregated. This special aggregation rule does not apply to distributions from Qualified Plans. There must be a separate distribution from each qualified plan, and a distribution from an IRA can never be used to satisfy an RMD for a QP, or vice versa.