

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

(For a Death that Occurred in 2019 or Earlier)

Beneficiary IRA Accountholder Information

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

Original Deceased 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	DATE OF BIRTH	DATE OF DEATH

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.

Payment Instructions

A. NONPERIODIC PAYMENT ELECTION	B. PAYMENT METHOD	C. PAYMENT DETAIL (completed by financial organization)
I elect my nonperiodic payments to be made as follows: (1) <input type="checkbox"/> Immediate Distribution of \$ (2) <input type="checkbox"/> Scheduled Distribution I authorize automatic distributions of \$ on a <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. (3) <input type="checkbox"/> Other	(1) <input type="checkbox"/> Deposited into my account at this financial organization. Account Type Account Number (2) <input type="checkbox"/> Other	Amount Requested \$ Penalties Charged (-) Administrative Fees (-) Subtotal (amount subject to withholding) \$ Federal Income Tax Withheld (-) State Income Tax Withheld (if applicable) (-) Local Tax Withheld (-) Net Amount Paid \$ Date of Distribution

Withholding Election (Not applicable to Roth IRAs. 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 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

[This area intentionally left blank.]

Purpose. The IRA Election of Payment by Beneficiary for Traditional, Roth, and SIMPLE IRAs form is designed to document your IRA distribution and payment elections when the original IRA Owner's date of death is 2019 or earlier. 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 and/or amendments provided by the custodian/trustee. For more information refer to IRS Form W-4R, *Withholding Certification 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 web site at 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). For IRA purposes, the RBD is April 1 of the year following the year in which an IRA owner attained 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 72, not be required to take a distribution until the year he/she attains age 72.

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 divisor 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 designated Roth account or 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 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.

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.

General Instructions (*continued*)

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

Note: If you don’t give Form W-4R to your payer, you don’t provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2025, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$65,000 without the payment. Step 1: Because your total income without the payment, \$65,000, is greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$85,000, is greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$61,000 without the payment. Step 1: Because your total income without the payment, \$61,000, is greater than \$26,925 but less than \$63,475, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$81,000, is

greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. The two rates differ. \$2,475 of the \$20,000 payment is in the lower bracket (\$63,475 less your total income of \$61,000 without the payment), and \$17,525 is in the higher bracket (\$20,000 less the \$2,475 that is in the lower bracket). Multiply \$2,475 by 12% to get \$297. Multiply \$17,525 by 22% to get \$3,856. The sum of these two amounts is \$4,153. This is the estimated tax on your payment. This amount corresponds to 21% of the \$20,000 payment (\$4,153 divided by \$20,000). Enter "21" on line 2.

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 (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). 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).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.