

- Use this form to request cash distributions from your Capital Bank and Trust Company (CB&T) retirement plan account that you have inherited as a beneficiary.
- The employer of the deceased account owner is required to acknowledge or authorize this transaction in Section 11.

1 Information about you

First name	MI	Last	Account number or plan ID
Address		City	State ZIP
Email address ¹		()	Daytime phone

Citizenship status: ☐ U.S. citizen ☐ U.S. resident alien ☐ Nonresident alien (Submit an IRS Form W-8BEN.)

Footnote:

¹ Your privacy is important to us. For information on our privacy policies, visit www.capitalgroup.com.

2 Beneficiary type

Select one.

Notes:

- Consult the [Beneficiary Claim Information](#) brochure to determine what type of beneficiary you are and to evaluate your options.
- Certain distribution options included on this form may not be offered by the plan; check with the employer or plan administrator.
- This form assumes you are the only beneficiary, or if you are one of multiple beneficiaries, separate accounts were created by December 31 of the year following the date of death. If you are one of multiple beneficiaries and separate accounts were not created by this date, consult your financial professional or tax advisor to determine available distribution options.
- If the account owner passed away prior to 1/1/2020 (for non-governmental plans) or prior to 1/1/2022 (for governmental plans), contact us for additional information on distribution options.

A. ☐ I am an eligible designated beneficiary.

Note: You qualify as an eligible designated beneficiary if, at the time of the account owner's death, you were one of the following: the spouse of the deceased account owner; a child (including stepchild, adopted child and foster child) of the deceased account owner who had not yet reached age 21 (minor child); an individual who was not more than 10 years younger than the deceased account owner (including an individual who was older than the deceased account owner); an individual who was disabled as defined in IRC section 72(m)(7); or an individual who was chronically ill as defined in IRC section 7702B(c)(2).

☐ Check this box if you qualify as an eligible designated beneficiary solely due to disability or chronic illness at the time of the account owner's death. If the deceased account owner was a participant in a 457(b), profit-sharing or money purchase plan, to qualify as an eligible designated beneficiary, you must provide certain documentation (validating your status as disabled or chronically ill) to the employer sponsoring the plan by October 31 of the year following the year of death. Refer to the employer or plan administrator for more information.

• **Proceed to Section 3.**

B. ☐ I am a non-eligible designated beneficiary. **Proceed to Section 4.**

Note: If you are an individual to whom none of the criteria listed in A apply, then you are considered a non-eligible designated beneficiary.

C. ☐ The beneficiary is a non-person entity, such as an estate (including heirs), charity or trust that does not qualify as a see-through trust. **Proceed to Section 5.**

3 Eligible designated beneficiary

Complete A, B or C.

Notes:

- Talk to your tax advisor before beginning distributions to ensure you are aware of any tax and penalty considerations.
- Distributions are taken proportionately from each fund in your account.

If you do not take required payments in a timely manner, you may be subject to a 25% penalty tax on any amount you should have taken but did not.

A. One-time distribution

☐ I am requesting a liquidation of \$ _____ taken proportionately from each fund in my account.

OR

☐ I am requesting a total liquidation.

B. Periodic payments over a 10-year period

The 10-year period ends December 31 of the 10th year following the date of death. This option is only available if the account owner passed away before their required beginning date.

All distributions will occur **annually** unless otherwise indicated: ☐ Monthly ☐ Quarterly ☐ Semiannually

Make the first distribution in (month) _____ (year) _____

Make distributions on (insert a date between the 6th and 28th) _____

C. RMDs over a life expectancy²

Spouse beneficiaries: RMDs will be calculated based on your age and the applicable Life Expectancy table, unless you elect otherwise. **Proceed to Step 2 below.**

1. Date of birth

☐ I am requesting RMDs using my date of birth. _____
(mm/dd/yyyy)

OR

☐ I am requesting RMDs using the deceased account owner's date of birth. (This option is only available if the account owner passed away after their required beginning date.)

2. Frequency and start date

All distributions will occur **annually** unless otherwise indicated: ☐ Monthly ☐ Quarterly ☐ Semiannually

Make the first distribution in (month) _____ (year) _____

Make distributions on (insert a date between the 6th and 28th) _____

Footnote:

²If the beneficiary is an eligible designated beneficiary solely because they were a minor child of the deceased account owner who had not yet reached age 21 at the time of the account owner's death, the entire balance must be distributed by December 31 of the year the beneficiary attains age 31. If you do not take any additional distributions, scheduled RMD payments will not deplete the assets by this date. You must contact us to distribute the remaining balance in the year the beneficiary attains age 31.



4 Non-eligible designated beneficiary

Complete A, B or C.

Notes:

- Talk to your tax advisor before beginning distributions to ensure you are aware of any tax and penalty considerations.
- Distributions are taken proportionately from each fund in your account.

If you do not take required payments in a timely manner, you may be subject to a 25% penalty tax on any amount you should have taken but did not.

A. One-time distribution

☐ I am requesting a liquidation of \$ _____ taken proportionately from each fund in my account.

OR

☐ I am requesting a total liquidation.

B. Periodic payments over a 10-year period

The 10-year period ends December 31 of the 10th year following the date of death.

All distributions will occur **annually** unless otherwise indicated: ☐ Monthly ☐ Quarterly ☐ Semiannually

Make the first distribution in (month) _____ (year) _____

Make distributions on (insert a date between the 6th and 28th) _____

C. RMDs over a life expectancy

Notes:

- If the account owner died on or after the date they were required to begin taking required minimum distributions (RMDs), RMDs are required for each of the nine years following the date of death. The entire account must be distributed by December 31 of the 10th year.
- If you do not take any additional distributions, scheduled RMD payments will not deplete the assets within 10 years. You must contact us to distribute the remaining balance in the 10th year.

1. Date of birth (Select one.)

☐ I am requesting RMDs using my date of birth. _____
(mm/dd/yyyy)

☐ I am requesting RMDs using the deceased account owner's date of birth.

☐ I am requesting RMDs based on the oldest trust beneficiary's date of birth. _____
(mm/dd/yyyy)

2. Frequency and start date

All distributions will occur **annually** unless otherwise indicated: ☐ Monthly ☐ Quarterly ☐ Semiannually

Make the first distribution in (month) _____ (year) _____

Make distributions on (insert a date between the 6th and 28th) _____



5 Entity beneficiary

Complete A, B or C.

Notes:

- Talk to your tax advisor before beginning distributions to ensure you are aware of any tax and penalty considerations.
- Distributions are taken proportionately from each fund in your account.

If you do not take required payments in a timely manner, you may be subject to a 25% penalty tax on any amount you should have taken but did not.

A. One-time distribution

☐ I am requesting a liquidation of \$ _____ taken proportionately from each fund in my account.

OR

☐ I am requesting a total liquidation.

B. RMDs using the deceased account owner's date of birth

This option is only available if the account owner passed away after their required beginning date.

Frequency and start date

All distributions will occur **annually** unless otherwise indicated: ☐ Monthly ☐ Quarterly ☐ Semiannually

Make the first distribution in (month) _____ (year) _____

Make distributions on (insert a date between the 6th and 28th) _____

C. Periodic payments over a 5-year period

The 5-year period ends December 31 of the 5th year following the date of death. This option is only available if the account owner passed away before their required beginning date.

All distributions will occur **annually** unless otherwise indicated: ☐ Monthly ☐ Quarterly ☐ Semiannually

Make the first distribution in (month) _____ (year) _____

Make distributions on (insert a date between the 6th and 28th) _____

If a signature guarantee is required, this form must be mailed.

If mailing, choose the service center for your state. Mail the form to the Indiana Service Center if you live outside the U.S.



American Funds Service Company
P.O. Box 6164
Indianapolis, IN 46206-6164

Overnight mail address
12711 N. Meridian St.
Carmel, IN 46032-9181



American Funds Service Company
P.O. Box 2560
Norfolk, VA 23501-2560

Overnight mail address
5300 Robin Hood Rd.
Norfolk, VA 23513-2430

Financial professional upload www.capitalgroup.com/upload

Fax (888) 421-4371

For more information, contact your financial professional, visit www.capitalgroup.com or call us at (800) 421-4225, ext. 45.

6 Payment options

A signature guarantee may be required. Review requirements in Section 10.

Select one of the four options below:

- A. ☐ Reinvest in an American Funds non-retirement account. If opening a new account, an account application must be completed and attached; you may leave the investment instructions section blank or write "in kind." Unless otherwise specified, shares will move in the same funds, share class and percentages as currently invested. If investing in an existing account, enter the number below and **proceed to Section 8**:
- _____
- B. ☐ Electronically deposit payments into my bank account. Payments will be delivered to your bank within three (3) business days following the transaction date. **Proceed to Section 7.** (This option is not available for 457(b) accounts.)
- C. ☐ Send a check. (This option is available only for a one-time distribution.) Select one option below:
- ☐ To the address in Section 1 of this form. **Proceed to Section 8.**
- ☐ As a rollover to another provider holding my inherited IRA. (This option is not available to entity beneficiaries.) Supply the following information and **proceed to Section 10**:

Name of inherited IRA provider

Account number

Address

City

State

ZIP

Note: RMDs cannot be rolled over. If you are subject to an RMD this year and it has not already been taken, you must request a distribution for the RMD amount prior to the rollover. Contact us to obtain the appropriate form.

- D. ☐ Rollover to American Funds inherited IRA. Submit an [Inherited IRA Application](#) with this form. (This option is not available to entity beneficiaries.) **Proceed to Section 10.**

Notes:

- RMDs cannot be rolled over. If you are subject to an RMD this year and it has not already been taken, you must request a distribution for the RMD amount prior to the rollover. Contact us to obtain the appropriate form.
- Unless otherwise specified, shares will move in the same funds, share class and percentages as currently invested. You may leave the investment instructions section of the application blank or write "in kind."

7

Bank information

If you selected electronic deposit in Section 6, attach an unsigned, voided check below. The check you attach **must** be preprinted with the bank name, registration, routing number and account number. **Please do not staple. Read the signature guarantee requirements in Section 10.**

Tape your check here.

John Doe

DATE _____

Bank account registration

PAY TO THE ORDER OF _____

\$ _____

_____ DOLLARS

Anytown Bank

← Bank name

| : 999999999 | :

0000000000 | | :

Bank routing number

Bank account number

VOID

Note: In lieu of a check, submit a preprinted bank document, such as an account statement or letter on your bank’s letterhead, providing your information.

8

Federal income tax withholding

If you are a nonresident alien (NRA), 30% NRA withholding may apply to the distribution.

Note: Taxes are withheld from the total amount requested. Refer to IRS Form W-4R for additional information. Insufficient withholding or underpayment of the estimated taxes may result in IRS penalties.

Select one:

- A.

☐ I am requesting RMDs over a life expectancy **OR** the beneficiary is a non-person entity. Payments are subject to 10% withholding, unless otherwise elected below.

☐ **DO NOT** withhold federal income tax. Your U.S. residence address is required to honor this request (**no P.O. boxes**).

Residence address (physical address required — **no P.O. boxes**)

City

State

ZIP

- ☐ Withhold federal income tax from each payment at the rate of _____% (Whole % only).³ If you are withholding less than 10%, you must enter a U.S. residence address above (**no P.O. boxes**).

- B.

☐ I am requesting periodic payments or a one-time distribution/liquidation. Payments that are eligible to be rolled to an inherited IRA are subject to 20% mandatory withholding. Additional withholding can be requested below.

Withhold federal income tax at the rate of _____% (Must be 20% or greater; whole % only).³

Footnote:

³Rates that include decimals will be rounded to the nearest whole number.

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State income tax withholding

If your state requires withholding or if the amount you enter below is less than the minimum for your state, CB&T will withhold at least the minimum state tax. CB&T does not withhold taxes for all states.

- ☐ **DO NOT** withhold
 ☐ Withhold _____%

OR

\$ _____

Note: To review the impacts of withholding for your state of residence, visit www.capitalgroup.com/statetax or speak with your tax advisor.

10 Authorization and signature guarantee

I certify that the information herein is accurate, and I will notify Capital Bank and Trust Company (CB&T) of any changes. I direct CB&T to make distributions from the retirement plan on the basis of the information I have provided. I am aware of the RMD rules and I acknowledge that CB&T and its affiliates are not responsible for ensuring that I have complied with these rules. If applicable, I have reviewed IRS Form W-4R and assume sole responsibility for the tax consequences of the withholding election. I agree to hold harmless CB&T and its affiliates for any claims, expenses or taxes (including penalties and interest) incurred due to distributions made in accordance with this form. I have read the enclosed *402(f) Notice of Special Tax Rules on Distributions* and agree to waive the 30-day waiting period if electing a distribution. In addition, if direct deposit payments are requested, I understand that this option may be terminated by me at any time by telephone or written notification to CB&T. The termination request will be effective as soon as CB&T has had reasonable time to act upon it.

If I have requested ACH privileges, I authorize American Funds Service Company® (AFS), upon request via phone, fax, or any other means utilizing telecommunications, including wireless or any other type of communication lines by authorized persons with appropriate account information, to **1)** withdraw fund shares from this account and deposit the proceeds into the bank account identified on this document, and/or **2)** secure payments from the bank account into this account. I authorize the bank to accept any such credit or debit to my account without responsibility for its correctness. If I am requesting an electronic payment and the plan ID starts with 2 or 754, I have read, understand and agree to the *Bank Verification Terms & Conditions*, and I authorize AFS/CB&T to access records from public and proprietary sources in order to validate that I am the bank account owner.

If this document is signed electronically, I consent to be legally bound by this document and subsequent terms governing it. The electronically signed copy of this document should be considered equivalent to a printed form in that it is the true, complete, valid, authentic and enforceable record of the document, admissible in judicial or administrative proceedings. I agree not to contest the admissibility or enforceability of the electronically stored copy of this document. A copy of this document will be made available to me as required.

X

Signature

/ /
Date (mm/dd/yyyy)

This document may not be signed using Adobe Acrobat Reader's "fill and sign" feature.

A signature guarantee is required if any of the following apply:

Stamp signature or medallion guarantee here.

- The check is mailed to your address of record and the address has changed in the last 10 calendar days.
- The check is payable or mailed to a third party, with the exception of a rollover to another financial institution when accompanied by their Letter of Acceptance.
- The proceeds are deposited into a bank account, unless automatic distributions are requested, the inherited retirement plan beneficiary is included in the bank account registration and the request is received at least 10 calendar days prior to the first payment.
- The distribution amount is more than \$250,000.

If required, a signature guarantee must be performed by a bank, savings association, credit union, member firm of a domestic stock exchange or the Financial Industry Regulatory Authority that is an eligible guarantor institution. **A notary public is NOT an acceptable guarantor.** The guarantee must be in the form of a stamp or a typewritten or handwritten guarantee that is accompanied by a raised corporate seal.

Distributions from retirement plans require employer information and participant/plan status confirmation. Proceed to Section 11.

11 Employer information and signature — required

403(b)s: Employer confirmation is not required if the deceased account owner stopped working for the company/organization sponsoring the retirement plan prior to January 1, 2009.

A. Employer information

Name of company/organization		Name of deceased participant	
Employer contact	() Daytime phone	Ext. () Fax	
Company/organization address		City	State ZIP

B. Employer acknowledgment or authorization

- If the deceased was a participant of a 403(b) plan: By signing below, you are **acknowledging** the distribution request being made by the beneficiary of the account.
- If the deceased was a participant of a 457(b), money purchase or profit-sharing plan: By signing below, you are **authorizing** the distribution of plan assets to the beneficiary of the account. You are also confirming that if the participant was married at the time of death, and had named a beneficiary other than the spouse, the appropriate spousal consent was obtained. If the beneficiary qualifies as an eligible designated beneficiary solely due to disability or chronic illness at the time of the account owner's death (as indicated in Section 2-A) and chose a distribution option only available to eligible designated beneficiaries, you are confirming that you received the appropriate supporting documentation in accordance with Internal Revenue Service (IRS) and Department of Labor (DOL) requirements.

Note: Distributions require employer acknowledgment or authorization.

- For 403(b) plans: A *403(b) Basic Contact Information* form is required. (If you've already provided this form and the authorized signer below is on that list, you do not need to resubmit the form.)
- For 457(b), money purchase or profit-sharing plans: A signature guarantee in this section is required.

Name of authorized signer (print)	Title
X Signature	Date / / (mm/dd/yyyy)

This document may not be signed using Adobe Acrobat Reader's "fill and sign" feature.

If using a signature guarantee as identification of employer status, the signature guarantee must be performed by a bank, savings association, credit union, member firm of a domestic stock exchange or the Financial Industry Regulatory Authority that is an eligible guarantor institution. **A notary public is NOT an acceptable guarantor.** The guarantee must be in the form of a stamp or a typewritten or handwritten guarantee that is accompanied by a raised corporate seal.

Stamp signature or medallion guarantee here.

For submission instructions, see page 4.

Review this agreement if you provided bank information.

Electronic bank verification is conducted through a third party service provider that is unaffiliated with American Funds Service Company (AFS) and Capital Bank and Trust Company (CB&T). If you choose to add a bank account electronically, you must agree to the Bank Verification Terms & Conditions of Use set forth below. The Fund or the Fund's transfer agent will send your information to the third party service provider, who will then compare your information with their database to verify the information you provided. Please read and agree to the Bank Verification Terms & Conditions of Use for the third party service in order to continue.

Agreement and Bank Verification Terms & Conditions of Use of the Service

I (we) authorize the Fund and its agents to act upon instructions (by phone, in writing, online or by other means) believed to be genuine and in accordance with procedures described in the prospectus (if applicable) for this designated bank account. I (we) authorize credits/debits to/from the bank account designated in conjunction with the account option(s) selected. I (we) agree that AFS and/or CB&T shall be fully protected in honoring any such transaction. I (we) also agree that AFS and/or CB&T may make additional attempts to credit/debit my (our) account if the initial attempt fails and I (we) will be liable for any associated costs. All account options elected will become part of the account and terms, representations, and conditions thereof.

Provide Accurate Information. I (we), the end user, agree to provide true, accurate, current and complete information about myself (ourselves) and my (our) accounts maintained at other web sites and I (we) agree to not misrepresent my (our) identity or my (our) account information. I (we) agree to keep my (our) account information up to date and accurate.

Proprietary Rights. I (we) are permitted to use content delivered to me (us) through the service only on the service. I (we) may not copy, reproduce, distribute, or create derivative works from this content. Further, I (we) agree not to reverse engineer or reverse compile any of the service technology, including but not limited to, any Java applets associated with the service.

Content You Provide. I (we) are licensing to AFS and/or CB&T ("Company") and its service providers ("Service Provider") any information, data, materials or other content (collectively, "Content") I (we) provide through or to the service. Company and Service Provider may use, modify, display, distribute and create new material using such Content to provide the service to you. By submitting Content, I (we) automatically agree, or promise that the owner of such Content has expressly agreed that, without any particular time limit, and without the payment of any fees, Company and Service Provider may use the Content for the purposes set out above. I (we) agree that, as between Company and Service Provider, Company owns your confidential account information.

Third Party Accounts. By using the service, I (we) authorize Company and Service Provider to access third party sites designated by Company, on my (our) behalf, to retrieve information requested by me (us), and to register for accounts requested by me (us). For all purposes hereof, I (we) hereby grant Company and Service Provider a limited power of attorney, and I (we) hereby appoint Company and Service Provider as my (our) true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for me (us) and in my (our) name, place and stead, in any and all capacities, to access third party internet sites, servers or documents, retrieve information, and use your information, all as described above, with the full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection with such activities, as fully to all intents and purposes as you might or could do in person. I (WE) ACKNOWLEDGE AND AGREE THAT WHEN COMPANY OR SERVICE PROVIDER ACCESSES AND RETRIEVES INFORMATION FROM THIRD PARTY SITES, COMPANY AND SERVICE PROVIDER ARE ACTING AS MY (OUR) AGENT, AND NOT THE AGENT OR ON BEHALF OF THE THIRD PARTY. I (we) agree that third party account providers shall be entitled to rely on the foregoing authorization, agency and power of attorney granted by me (us). I (we) understand and agree that the service is not endorsed or sponsored by any third party account providers accessible through the service.

DISCLAIMER OF WARRANTIES. I (WE) EXPRESSLY UNDERSTAND AND AGREE THAT: MY (OUR) USE OF THE SERVICE AND ALL INFORMATION, PRODUCTS AND OTHER CONTENT (INCLUDING THAT OF THIRD PARTIES) INCLUDED IN OR ACCESSIBLE FROM THE SERVICE IS AT MY (OUR) SOLE RISK. THE SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. COMPANY AND SERVICE PROVIDER EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE SERVICE AND ALL INFORMATION, PRODUCTS AND OTHER CONTENT (INCLUDING THAT OF THIRD PARTIES) INCLUDED IN OR ACCESSIBLE FROM THE SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. COMPANY AND SERVICE PROVIDER MAKE NO WARRANTY THAT (i) THE SERVICE WILL MEET MY (OUR) REQUIREMENTS, (ii) THE SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE SERVICE WILL BE ACCURATE OR RELIABLE, (iv) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL PURCHASED OR OBTAINED BY ME (US) THROUGH THE SERVICE WILL MEET MY (OUR) EXPECTATIONS, OR (v) ANY ERRORS IN THE TECHNOLOGY WILL BE CORRECTED. ANY MATERIAL DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE SERVICE IS DONE AT MY (OUR) OWN DISCRETION AND RISK AND I (WE) ARE SOLELY RESPONSIBLE FOR ANY DAMAGE TO MY (OUR) COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM THE DOWNLOAD OF ANY SUCH MATERIAL. NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY ME (US) FROM COMPANY OR SERVICE PROVIDER THROUGH OR FROM THE SERVICE WILL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THESE TERMS.

LIMITATION OF LIABILITY. I (WE) AGREE THAT NEITHER COMPANY, ITS INVESTMENT MANAGER, OR SERVICE PROVIDER NOR ANY OF THEIR EMPLOYEES, OFFICERS, TRUSTEES, DIRECTORS, AFFILIATES, ACCOUNT PROVIDERS OR ANY OF THEIR AFFILIATES WILL BE LIABLE FOR ANY HARMS, WHICH LAWYERS AND COURTS OFTEN CALL DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES, EVEN IF COMPANY OR SERVICE PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, RESULTING FROM: (i) THE USE OR THE INABILITY TO USE THE SERVICE; (ii) THE COST OF GETTING SUBSTITUTE GOODS AND SERVICES, (iii) ANY PRODUCTS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO, THROUGH OR FROM THE SERVICE; (iv) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR DATA; (v) STATEMENTS OR CONDUCT OF ANYONE ON THE SERVICE; (vi) THE USE, INABILITY TO USE, UNAUTHORIZED USE, PERFORMANCE OR NON-PERFORMANCE OF ANY THIRD PARTY ACCOUNT PROVIDER SITE, EVEN IF THE PROVIDER HAS BEEN ADVISED PREVIOUSLY OF THE POSSIBILITY OF SUCH DAMAGES; OR (vii) ANY OTHER MATTER RELATING TO THE SERVICE.

Indemnification. I (we) agree to protect and fully compensate Company, its investment manager, and Service Provider and their employees, officers, trustees, directors, and affiliates from any and all third party claims, liability, damages, expenses and costs (including, but not limited to, reasonable fees) caused by or arising from my (our) use of the service, my (our) violation of these terms or my (our) infringement, or infringement by any other user of my (our) account, of any intellectual property or other right of anyone. I (we) agree that the Company's investment manager and Service Provider are each a third party beneficiary of the above provisions, with all rights to enforce such provisions as if the investment manager or Service Provider were a party to this Agreement.

Your options for eligible rollover distributions

You are receiving this notice because you are eligible to receive a payment from your retirement plan (the "Plan") that you can transfer (roll over) to an IRA or an employer plan. This notice is intended to help you decide whether to roll over the payment or some portion of it.

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General information about rollovers

- What can I do with an amount that is eligible for rollover?
- How can a payment affect my taxes?
- How can a rollover affect my taxes?
- What types of retirement accounts and plans may accept my rollover?
- How do I do a rollover?
- How much may I roll over?
- If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?
- If I do a rollover to an IRA, will the 10% additional tax apply to a later distribution from the IRA before age 59½?
- Will I owe state income taxes?

Special rules and options

- If your payment includes after-tax contributions
- If you miss the 60-day rollover deadline
- If your payment includes employer stock that you don't roll over
- If you have an outstanding loan that is being offset
- If you receive a payment and you were born on or before January 1, 1936
- If your payment is from a governmental section 457(b) plan
- If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance
- If you roll over your payment to a SIMPLE IRA
- If you roll over your payment to a Roth IRA
- If you roll over your payment to a designated Roth account in the Plan
- If you aren't a Plan participant
- If you are a nonresident alien
- Other special rules

For more information

General information about rollovers

This notice describes the rollover rules that apply to payments from the Plan that are **not** from a designated Roth account (a type of account in some employer plans that is subject to special tax rules). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in this "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section, including rules if your Plan is a governmental section 457(b) plan, you have after-tax contributions, or your benefit doesn't exceed \$7,000.

Q. What can I do with an amount that is eligible for rollover?

A. When an amount payable (that is, an amount you are eligible to take as a payment from the Plan) is eligible for rollover, you generally may choose some combination of the following:

- Leave it in the Plan, that is, do not take the payment,
- Roll it over into another employer plan,
- Roll it over into an IRA, or
- Take it, don't roll it over, and pay any required taxes.

Whether these options are available to you depends on your circumstances and the terms of the Plan. For example, you may be required to take a payment (and not roll it over) based on your age or if your benefit is below a certain threshold.

Q. How can a payment affect my taxes?

A. If you don't do a rollover, you will be taxed on a payment from the Plan, and, if you are under age 59½, you will also have to pay a 10% additional tax (unless an exception applies).

Q. How can a rollover affect my taxes?

A. If you do a rollover, you won't have to pay tax until you receive payments later.

Q. What types of retirement accounts and plans may accept my rollover?

A. You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan (such as a section 401(k) plan), a section 403(b) plan, or a governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that receives the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs aren't subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan. For additional information on IRAs, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

Q. How do I do a rollover?

A. There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA provider or the administrator of the employer plan for information on how to do a direct rollover.

If you do a 60-day rollover, you will receive a payment from the Plan and then make a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you don't do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the amount withheld. If you don't roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional tax on early distributions if you are under age 59½ (unless an exception applies).

Q. How much may I roll over?

A. You may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions;
- Hardship distributions;
- Payments of employee stock ownership plan (ESOP) dividends;
- Corrective distributions of contributions that exceeded tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP;
- Distributions used to pay certain premiums for health and accident insurance; and
- Amounts treated as distributed as a result of the purchase of a collectible.

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

Q. If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?

A. If you are under age 59½, you will have to pay the 10% additional tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you don't roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional tax doesn't apply to the following payments from the Plan:

- Payments made after you separate from service if you are at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in substantially equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service as a qualified public safety employee and, in the year of separation, have reached age 50 or 25 years of service under the Plan;
- Payments from a private-sector plan made after you separate from service as a private-sector firefighter and, in the year of separation, have reached age 50 or 25 years of service under the Plan;
- Payments made due to disability;
- Payments made after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments from a defined contribution plan that are qualified birth or adoption distributions;
- Payments from a defined contribution plan for purposes of meeting unforeseeable or immediate financial needs relating to personal or family emergency expenses (emergency personal expense distributions);
- Payments to a victim of domestic abuse from a defined contribution plan that isn't subject to the qualified joint survivor annuity or qualified preretirement survivor annuity rules (domestic abuse victim distributions);
- Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
- Payments that are qualified disaster recovery distributions;
- Payments made from a defined contribution plan that are qualified long-term care distributions;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Phased retirement payments made to federal employees; and
- Payments from a pension-linked emergency savings account.

For more information about the 10% additional tax and the exceptions to the 10% additional tax, see IRS Publication 575, *Pension and Annuity Income*, under the heading *Tax on Early Distributions*. For information on how to claim an exception, see the Instructions for IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*.

Q. If I do a rollover to an IRA, will the 10% additional tax apply to a later distribution from the IRA before age 59½?

A. If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional tax on early distributions on the part of the payment that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments from a plan made after you separate from service if you are at least age 55 in the year of the separation (or the earlier of age 50 or attainment of 25 years of service under the Plan for qualified public safety employees and private-sector firefighters) doesn't apply to payments from an IRA;
- The exception for payments made pursuant to a QDRO under a plan doesn't apply to an IRA (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse); and
- The exception for substantially equal periodic payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Also, there are exceptions to the 10% additional tax that do not apply to payments from a plan but that do apply to payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

For more general information about the 10% additional tax and the exceptions to the 10% additional tax on payments from an IRA, see the Instructions to IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*. See also, IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, under the heading *Early Distributions*.

Q. Will I owe state income taxes?

A. This notice doesn't address any state or local income tax rules (including withholding rules).

Special rules and options

If your payment includes after-tax contributions

After-tax contributions included in a payment aren't taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you can't take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in the payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a payment of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that isn't a Roth IRA, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a payment of \$12,000, of which \$2,000 is after-tax contributions, and no part of the payment is directly rolled over. In this case, if you roll over \$10,000 to an IRA that isn't a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and isn't a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline can't be extended. However, the IRS has authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, under the heading *Rollovers*.

If your payment includes employer stock that you don't roll over

If you don't do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock won't be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover to an IRA or an employer plan for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock won't apply to any later payments from the IRA or, generally, the plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan (offset amount), typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset, even though you will not receive the offset amount. Generally, you may roll over all or any portion of the offset amount using other funds. Any offset amount that isn't rolled over will be taxed (including the 10% additional tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you separate from service. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you receive a payment and you were born on or before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump sum payment that you don't roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you don't do a rollover, you won't have to pay the 10% additional tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that isn't a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional tax on early distributions (unless an exception applies). Other differences include that you can't do a rollover if the payment is an "unforeseeable emergency" distribution, and that the special rules under the sections "If your payment includes employer stock that you don't roll over" and "If you were born on or before January 1, 1936" don't apply.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income, not to exceed \$3,000, the amounts, (1) that were paid by the Plan directly to an insurer of health coverage or qualified long-term care insurance or (2) that were received by you from the Plan and used to pay for premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a SIMPLE IRA

You can only roll over a payment from the Plan to a SIMPLE IRA plan after the end of the 2-year period beginning on the date you first participated in the SIMPLE IRA plan.

402(f) Notice of Special Tax Rules on Distributions (for payments not from a designated Roth account)

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA (which, for purposes of this explanation, includes a Roth SIMPLE IRA), a special rule applies under which the amount of the payment rolled over, reduced by any after-tax amounts, will be taxed. In general, the 10% additional tax on early distributions won't apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional tax will apply on the amount includible in gross income (unless an exception applies).

If you roll over the payment to a Roth IRA, you won't have to take required minimum distributions from the Roth IRA during your lifetime. Later payments from the Roth IRA that are qualified distributions won't be taxed, including earnings after the rollover. A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that aren't qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies). For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you roll over your payment to a designated Roth account in the Plan

You can't roll over a payment to a designated Roth account in another employer's plan. However, you can roll the payment over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over, reduced by any after-tax amounts directly rolled over, will be taxed. In general, the 10% additional tax on early distributions won't apply. However, if you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional tax will apply on the amount includible in gross income (unless an exception applies).

If you roll over the payment to a designated Roth account in the Plan, you won't have to take required minimum distributions from the designated Roth account during your lifetime. Later payments from the designated Roth account that are qualified distributions won't be taxed, including earnings after the rollover. A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year of the first contribution to your designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that aren't qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies).

If you aren't a Plan participant

Payments after death of the participant. If you receive a payment after the participant's death that you don't roll over, the payment generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional tax on early distributions and the special rules for public safety officers don't apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

– If you are a surviving spouse.

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA either as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional tax on early distributions (unless an exception applies) and required minimum distributions from your IRA will be based on your age.

If you treat the IRA as an inherited IRA, payments from the IRA won't be subject to the 10% additional tax on early distributions. However, if the participant had started taking required minimum distributions from the Plan, required minimum distributions must continue to be made from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, distributions from the inherited IRA must begin when the participant would have been required to begin required minimum distributions.

– If you are a surviving beneficiary other than a spouse.

If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA won't be subject to the 10% additional tax on early distributions.

You will have to take required minimum distributions from the inherited IRA.

For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

Payments under a qualified domestic relations order (QDRO). If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO won't be subject to the 10% additional tax on early distributions.

For more information, see IRS Publication 504, *Divorced or Separated Individuals*.

If you are a nonresident alien. If you are a nonresident alien and you don't do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing IRS Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, and attaching your IRS Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*. See IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)*, for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules. If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200, not including payments from a designated Roth account in the Plan, the Plan isn't required to allow you to do a direct rollover and isn't required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than \$1,000, not including payments from a designated Roth account in the Plan, will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) without the participant's consent. Generally, a mandatory cashout is only allowed if the participant's benefit doesn't exceed \$7,000.

You may have the ability to repay certain distributions from your retirement plan. If you took a qualified reservist distribution, a qualified disaster recovery distribution, a qualified birth or adoption distribution, an emergency personal expense distribution, a domestic abuse victim distribution, or a terminal illness distribution, you generally may repay that distribution to an eligible retirement plan within a certain time period. For more information on repayments of qualified reservist distributions, see IRS Publication 3, *Armed Forces' Tax Guide*. For more information on other repayments, see IRS Publication 575, *Pension and Annuity Income*, or consult a professional tax advisor.



CAPITAL GROUP® | AMERICAN FUNDS®

**402(f) Notice of
Special Tax Rules on Distributions**
(for payments not from a designated Roth account)

For more information

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

Your options for eligible rollover distributions

You are receiving this notice because you are eligible to receive a payment from your retirement plan (the "Plan") that you can transfer (roll over) to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to roll over the payment or some portion of it.

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General information about rollovers

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that isn't from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a designated Roth account are described in this "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section, including rules if your Plan is a governmental section 457(b) plan, you have after-tax contributions, or your benefit doesn't exceed \$7,000.

Q. What can I do with an amount that is eligible for rollover?

A. When an amount payable (that is, an amount you are eligible to take as a payment from the Plan) is eligible for rollover, you generally may choose some combination of the following:

- Leave it in the Plan, that is, do not take the payment,
- Roll it over into a designated Roth account in another plan,
- Roll it over into a Roth IRA, or
- Take it, don't roll it over, and pay any required taxes.

Whether these options are available to you depends on your circumstances and the terms of the Plan. For example, you may be required to take a payment (and not roll it over) based on your age or if your benefit is below a certain threshold.

Q. How can a payment affect my taxes?

A. After-tax contributions included in a payment from a designated Roth account aren't taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan isn't a qualified distribution and you don't do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the portion of the payment that is earnings. If you are under age 59½, a 10% additional tax on early distributions (generally, distributions made before age 59½) will also apply to the earnings (unless an exception applies).

If the payment from the Plan is a qualified distribution, you won't be taxed on any part of the payment even if you don't do a rollover. A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year the first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year the first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Q. How can a rollover affect my taxes?

A. If the payment isn't a qualified distribution and you do a rollover, you won't have to pay taxes currently on the earnings and you won't have to pay taxes later on payments that are qualified distributions. If the payment is a qualified distribution and you do a rollover, you won't be taxed on the amount you roll over and any earnings on the amount you roll over won't be taxed when paid later.

Q. What types of retirement accounts and plans may accept my rollover?

A. You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, Roth IRAs cannot provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that aren't qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

Q. How do I do a rollover?

A. There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings. For example, assume you are receiving a nonqualified distribution of \$12,000, of which \$2,000 is earnings. In this case, if you directly roll over \$10,000 to an IRA that is a Roth IRA, no amount is taxable because the \$10,000 amount rolled over includes the \$2,000 in earnings and the remaining \$2,000 paid to you is attributable to after-tax contributions.

If you do a 60-day rollover, you will receive a payment from the Plan and then make a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover doesn't exceed the amount of the earnings in the payment. You can't do a 60-day rollover to an employer plan of any part of a qualified distribution.

If you do a 60-day rollover and the payment isn't a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the amount withheld.

Q. How much may I roll over?

A. You may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions to a beneficiary;
- Hardship distributions;
- Payments of employee stock ownership plan (ESOP) dividends;
- Corrective distributions of contributions that exceeded tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP;
- Distributions used to pay certain premiums for health and accident insurance; and
- Amounts treated as distributed as a result of the purchase of a collectible.

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

Q. If I don't do a rollover, will I have to pay the 10% additional tax on distributions before age 59½?

A. If a payment isn't a qualified distribution and you are under age 59½, you will have to pay the 10% additional tax on early distributions with respect to the earnings allocated to the payment that you don't roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

The 10% additional tax doesn't apply to the following payments from the Plan:

- Payments made after you separate from service if you are at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service as a qualified public safety employee and, in the year of separation, have reached age 50 or 25 years of service under the Plan;
- Payments from a private-sector plan made after you separate from service as a private-sector firefighter and, in the year of separation, have reached age 50 or 25 years of service under the Plan;
- Payments made due to disability;
- Payments made after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments from a defined contribution plan that are qualified birth or adoption distributions;
- Payments from a defined contribution plan for purposes of meeting unforeseeable or immediate financial needs relating to personal or family emergency expenses (emergency personal expense distributions);
- Payments to a victim of domestic abuse from a defined contribution plan that isn't subject to the qualified joint survivor annuity or qualified preretirement survivor annuity rules (domestic abuse victim distributions);
- Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
- Payments that are qualified disaster recovery distributions;
- Payments made from a defined contribution plan that are qualified long-term care distributions;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution; and
- Payments from a pension-linked emergency savings account.

For more information about the 10% additional tax and the exceptions to the 10% additional tax, see IRS Publication 575, *Pension and Annuity Income*, under the heading *Tax on Early Distributions*. For information on how to claim an exception, see the Instructions for IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*.

Q. If I do a rollover to a Roth IRA, will the 10% additional tax apply to a later distribution from the Roth IRA before age 59½?

A. If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a designated Roth account in an employer plan.

However, there are a few differences for payments from a Roth IRA, including:

- The exception for payments from a plan made after you separate from service if you are at least age 55 in the year of the separation (or the earlier of age 50 or attainment of 25 years of service under the Plan for qualified public safety employees and private-sector firefighters) doesn't apply to payments from an IRA;

402(f) Notice of Special Tax Rules on Distributions (for payments from a designated Roth account)

- The exception for payments made pursuant to a QDRO under a plan doesn't apply to an IRA (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse); and
- The exception for substantially equal periodic payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Also, there are exceptions to the 10% additional tax that do not apply to payments from a plan but that do apply to payments from a Roth IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

For more general information about the 10% additional tax and the exceptions to the 10% additional tax on payments from an IRA, see the Instructions to IRS Form 5329, *Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts*. See also, IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, under the heading *Early Distributions*.

Q. Will I owe state income taxes?

A. This notice doesn't address any state or local income tax rules (including withholding rules).

Special rules and options

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline can't be extended. However, the IRS has authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, under the heading *Rollovers*.

If your payment includes employer stock that you don't roll over

If you receive a payment that isn't a qualified distribution and you don't roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment won't be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA or a designated Roth account in another employer plan for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you won't have any taxable income and the special rule relating to the distributed employer stock won't apply to any later payments from the Roth IRA or, generally, the plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you don't roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan (offset amount), typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset isn't a qualified distribution and you don't roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional tax on early distributions, unless an exception applies). You may roll over the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA.

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you separate from service. If your plan loan offset occurs for any other reason (such as a failure to make level repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you receive a payment and you were born on or before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump sum payment that isn't a qualified distribution and that you don't roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to a Roth IRA or a designated Roth account in an employer plan that accepts rollovers. One difference is that, if you receive a payment that isn't a qualified distribution and you don't roll it over, you won't have to pay the 10% additional tax on early distributions with respect to the earnings allocated to the payment that you don't roll over, even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to a Roth IRA or to a designated Roth account in an employer plan that isn't a governmental section 457(b) plan, a later distribution that isn't a qualified distribution made before age 59½ will be subject to the 10% additional tax on earnings allocated to the payment (unless an exception applies). Other differences include that you can't do a rollover if the payment is an "unforeseeable emergency" distribution and that the special rules under the sections "If your payment includes employer stock that you don't roll over" and "If you receive a nonqualified distribution and you were born on or before January 1, 1936" don't apply.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income, up to a maximum of \$3,000 annually, nonqualified distributions (1) that were paid by the Plan directly to an insurer of health coverage or qualified long-term care insurance or (2) that were received by you from the Plan and used to pay for premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

402(f) Notice of Special Tax Rules on Distributions (for payments from a designated Roth account)

If you roll over your payment to a Roth SIMPLE IRA

You can only roll over a payment from the Plan to a Roth SIMPLE IRA plan after the end of the 2-year period beginning on the date you first participated in the Roth SIMPLE IRA plan.

If you aren't a Plan participant

Payments after death of the participant. If you receive a payment after the participant's death that you don't roll over, the payment generally will be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional tax on early distributions and the special rules for public safety officers don't apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

– If you are a surviving spouse.

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to a Roth IRA, you may treat the Roth IRA either as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you won't have to take any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional tax on early distributions unless an exception applies.

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA won't be subject to the 10% additional tax on early distributions. An inherited Roth IRA is subject to required minimum distributions.

– If you are a surviving beneficiary other than a spouse.

If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, won't be subject to the 10% additional tax on early distributions. You will have to take required minimum distributions from the inherited Roth IRA.

For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

Payments under a qualified domestic relations order (QDRO). If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own Roth IRA or to a designated Roth account in an eligible employer plan that will accept it).

For more information, see IRS Publication 504, *Divorced or Separated Individuals*.

If you are a nonresident alien

If you are a nonresident alien, the payment isn't a qualified distribution, and you don't do a direct rollover to a U.S. Roth IRA or designated Roth account in a U.S. employer plan, the Plan is generally required to withhold 30% (instead of withholding 20%) of the earnings for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing IRS Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, and attaching your IRS Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*. See IRS Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)*, for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

If you receive a payment from a pension-linked emergency savings account

In general, if you receive a payment from a pension-linked emergency savings account (PLESA), the rules for other payments from a designated Roth account apply. However, several special rules apply to payments from PLESAs. First, all payments from PLESAs are treated as qualified distributions, even if, for example, the payment is made before you reach age 59½ and before you have had a PLESA for at least 5 years. Second, if you terminate employment or your employer terminates your PLESA, you may elect, in addition to your usual rollover options, to roll over all or part of your PLESA into another designated Roth account in the Plan.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (only including payments from the designated Roth account in the Plan) are less than \$200, the Plan isn't required to allow you to do a direct rollover and isn't required to withhold federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than \$1,000 will be directly rolled over to a Roth IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) without the participant's consent. Generally, a mandatory cashout is only allowed if the participant's benefit doesn't exceed \$7,000.

You may have the ability to repay certain distributions from your retirement plan. If you took a qualified reservist distribution, a qualified disaster recovery distribution, a qualified birth or adoption distribution, an emergency personal expense distribution, a domestic abuse victim distribution, or a terminal illness distribution, you generally may repay that distribution to an eligible retirement plan within a certain time period. For more information on repayments of qualified reservist distributions, see IRS Publication 3, *Armed Forces' Tax Guide*. For more information on other repayments, see IRS Publication 575, *Pension and Annuity Income*, or consult a professional tax advisor.

For more information

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

1a First name and middle initial _____ **Last name** _____ **1b** Social security number _____

Address _____

City or town, state, and ZIP code _____

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

2 Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals) _____ **2** _____ %

Sign Here _____ **Date** _____

Your signature (This form is not valid unless you sign it.)

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.

Purpose of form. Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic

payments (payments made in installments at regular intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

2026 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
16,100	10%	32,200	10%	24,150	10%
28,500	12%	57,000	12%	41,850	12%
66,500	22%	133,000	22%	91,600	22%
121,800	24%	243,600	24%	129,850	24%
217,875	32%	435,750	32%	225,900	32%
272,325	35%	544,650	35%	280,350	35%
656,700*	37%	800,900	37%	664,750	37%

* If married filing separately, use \$400,450 instead for this 37% rate.

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 2026, 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;
- Qualified long-term care 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 \$70,000 without the payment. Step 1: Because your total income without the payment, \$70,000, is greater than \$66,500 but less than \$121,800, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$90,000, is greater than \$66,500 but less than \$121,800, 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 \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$28,500 but less than \$66,500, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$80,000, is greater than \$66,500 but less than \$121,800, the

corresponding rate is 22%. The two rates differ. \$6,500 of the \$20,000 payment is in the lower bracket (\$66,500 less your total income of \$60,000 without the payment), and \$13,500 is in the higher bracket (\$20,000 less the \$6,500 that is in the lower bracket). Multiply \$6,500 by 12% to get \$780. Multiply \$13,500 by 22% to get \$2,970. The sum of these two amounts is \$3,750. This is the estimated tax on your payment. This amount corresponds to 19% of the \$20,000 payment (\$3,750 divided by \$20,000). Enter "19" 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.