

**INDIVIDUAL RETIREMENT ACCOUNT  
PERIODIC PAYMENTS BEFORE REQUIRED MINIMUM DISTRIBUTION AGE (FORM 2316)**

Please Print or Type

CID# (Organization will complete.) \_\_\_\_\_

Financial Organization Name \_\_\_\_\_

Social Security Number \_\_\_\_\_

IRA Suffix \_\_\_\_\_

IRA Owner's Name (First, Initial, Last) \_\_\_\_\_

\$ \_\_\_\_\_

Current IRA Balance \_\_\_\_\_

Account Number \_\_\_\_\_

**BEFORE AGE 59½**

COMPLETE THIS SECTION IF YOU ARE UNDER AGE 59½ AND ARE NOT DISABLED

**NOTE: The tax laws generally prohibit adding funds to or removing funds from this IRA after your payments have begun. Check with your tax advisor before making any such transactions. Carefully review the information on the reverse side before completing this form.**

Check this box to receive periodic payments that are exempt from the 10% early distribution tax. Payments will be computed under the annuity method pursuant to IRS guidelines.

**BETWEEN AGES 59½ AND 72 OR DISABLED**

COMPLETE SECTIONS 1 AND 2 BELOW IF YOU ARE DISABLED OR ARE BETWEEN AGES 59½ AND 72

**Section 1** (Check one)

1. I am disabled.
2. I am between ages 59½ and 72.

**Section 2** (Check one)

1. Pay me \$ \_\_\_\_\_ (minimum \$50 per payment).
2. Pay me the earnings from my IRA Investments (minimum \$50 per payment).

**PAYMENT COMMENCEMENT AND FREQUENCY**

I want these payments to start approximately: \_\_\_\_\_  
(MM/YYYY)

Please pay me:

1. Monthly       3. Semiannually
2. Quarterly     4. Annually

**PAYMENT METHOD**

1. I want to receive these payments by check/share draft.
2. Deposit these payments directly into my account at the financial organization.

Account #: \_\_\_\_\_

**FEDERAL WITHHOLDING ELECTION (Form W-4P/OMB No. 1545-0074)**  
Complete an IRA State Income Tax Withholding Election (Form 2312), if applicable.

Your withholding election will remain in effect for any subsequent withdrawal unless you change or revoke it.

(Check One)

1. **WITHHOLD** \_\_\_\_\_% (Must be 10% or greater.)  
**WITHHOLD ADDITIONAL** federal income tax of \$ \_\_\_\_\_ (if applicable)
2. **DO NOT WITHHOLD** federal income tax.

**IRA OWNER'S SIGNATURE**

I certify that the information on this form is correct, that I am the proper party to authorize this payment and that I have received a copy of the Withholding Notice.

**X**

IRA Owner's Signature \_\_\_\_\_

Date (MM/DD/YYYY) \_\_\_\_\_

**WITHHOLDING NOTICE INFORMATION** (Form W-4P/OMB No. 1545-0074)

**Basic Information About Withholding From Pensions and Annuities.** Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit sharing, stock bonus, annuity, and certain deferred compensation plans; from IRAs; and from commercial annuities.

Caution: There may be penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505, Tax Withholding and Estimated Tax. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA using form W-4P.

**Purpose of Form W-4P.** Unless you elect otherwise, 10 percent federal income tax will be withheld from payments from individual retirement accounts (IRAs). You can use Form W-4P (or a substitute form, such as this form), provided by the trustee or custodian, to instruct your trustee or custodian to withhold no tax from your IRA payments or to withhold more than 10 percent. This substitute form should be used only for withdrawals from IRAs that are payable upon demand.

**Nonperiodic Payments.** Payments made from IRAs that are payable upon demand are treated as nonperiodic payments for federal income tax purposes. Generally, nonperiodic payments must have at least 10 percent income tax withheld.

Your election will remain in effect for any subsequent withdrawal unless you change or revoke it.

**Payments Delivered Outside of the U.S.** A U.S. citizen or resident alien may not waive withholding on any withdrawal delivered outside of the U.S. or its possessions. Withdrawals by a nonresident alien generally are subject to a tax withholding rate of 30 percent. A reduced withholding rate may apply if there is a tax treaty between the nonresident alien's country of residence and the United States and if the nonresident alien submits Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, or satisfies the documentation requirements as provided under federal regulations. The Form W-8BEN must contain the foreign person's taxpayer identification number.

For more information, Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and Publication 519, *U.S. Tax Guide for Aliens*, are available on the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM.

**Revoking the Exemption From Withholding.** If you want to revoke your previously filed exemption from withholding, file another Form W-4P with the trustee or custodian and check the appropriate box on that form.

**Statement of Income Tax Withheld From Your IRA.** By January 31 of next year, your trustee or custodian will provide a statement to you and to the IRS showing the total amount of your IRA distributions and the total federal income tax withheld during the year. Copies of Form W-4P will not be sent to the IRS by the trustee or custodian.

**PERIODIC PAYMENTS BEFORE AGE 59½**

**EQUAL PAYMENT PERIOD**

Once you start receiving pre-59½ periodic payments, these payments must continue to be made until the later of the following:

1. The fifth anniversary of the first payment; or
2. You attain age 59½ (this occurs six months after your 59th birthday).

**No contributions** – During the equal payment period, there can be no additions to the IRA from which the pre-59½ periodic payments are being made other than account earnings. Contributions, rollovers, direct transfers and direct rollovers into the IRA cannot be made.

**No distributions** – During the equal payment period, there can be no distributions from the IRA from which the pre-59½ periodic payments are being made other than the pre-59½ periodic payments. Except as noted in the next paragraph, withdrawals, direct transfers and direct rollovers out of the IRA cannot be made, and the pre-59½ periodic payments cannot be rolled over to another IRA.

**Permitted rollover or transfer** – All of the funds in an IRA making pre-59½ periodic payments can be rolled over or direct transferred to a newly established IRA. The pre-59½ periodic payments remain the same and they must be distributed from the IRA to which the assets were moved. The new IRA can be either a traditional IRA or a Roth IRA.

**Result of a change during the equal payment period** – You would be subject to the 10% early distribution tax on all taxable amounts received before age 59½ if:

- Funds are added to or removed from the IRA making the pre-59½ periodic payments (other than the pre-59½ periodic payments themselves); or
- There is a change in the pre-59½ periodic payments (other than a change under the change to RMD method rule).

**NOTE: YOU WOULD NOT BE SUBJECT TO THE 10% EARLY DISTRIBUTION TAX IF YOU CHANGE PAYMENTS AFTER YOU BECOME DISABLED.**

**STARTING PAYMENTS**

We use the annuity method to compute a new series of pre-59½ periodic payments because this method results in the highest possible payment amount. If you want to receive less than this amount, then you should move some of the funds from the IRA that will make the payments to a different IRA. Unlike the IRA making the payments, this second IRA is not restricted from receiving contributions or making distributions.

1. Determine the date of the first payment: \_\_\_\_\_
  2. Determine your age on this date: \_\_\_\_\_
  3. Current value of the IRA: \$ \_\_\_\_\_  
(Adjust for expected changes before payments start.)
  4. Obtain the annuity factor: \_\_\_\_\_
  5. Multiply line 3 by line 4 to get the annual payment\* \$ \_\_\_\_\_
- Stop here if you want this payment amount.  
Continue if you want less:
6. Desired annual payment:\* \$ \_\_\_\_\_
  7. Divide line 6 by line 5: \_\_\_\_\_
  8. Multiply line 3 by line 7: \$ \_\_\_\_\_

Leave the amount on line 8 in the IRA that will be making the pre-59½ periodic payments, and use a direct transfer to move the rest of the funds in this IRA to a second IRA.

\* Divide the annual payment by the number of payments each year. The answer is the periodic payment, even if payments start in the middle of the year.