



WITHHOLDING NOTICE AND ELECTION

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Use this form to make or change your federal withholding election when you want to receive a distribution (withdrawal) from your STRATA Trust Company ("STRATA") IRA.

Please read this form completely. If you are a nonresident alien, do not complete this form. Nonresident aliens must complete and submit IRS Form W8-BEN.

Withholding Notice Information

As your IRA custodian, STRATA is required by federal income tax regulations to provide you with the notice regarding your IRA with our organization from which you are receiving payments. Any distributions you receive from an IRA are subject to federal income tax withholding unless you exercise your right and elect not to have withholding apply such as if you have:

- Previously elected not to have federal income tax withholding apply to distributions you receive from your IRA.
- Previously elected to have federal income tax withholding apply to distributions at a designated percentage.
- Elected to have additional federal income tax withheld from each distribution.
- Previously elected to have a designated percentage of state income tax withheld from each distribution you receive.

Your election to have withholding apply or to waive withholding stays in effect until you change it. You may change or revoke your election at any time and as often as you wish by making a new withholding election. You must understand that you may incur tax penalties under the estimated tax payments rules if your payments of the estimated tax and withholding are insufficient.

If you want your election to remain unchanged, you do not need to do anything at this time. However, if you wish to change or revoke your previous election, please complete the appropriate elections in Sections 2 and 3.

Section 1		Account Information		
Accountholder Name		Account Number		
Social Security Number (Last 4 Digits Only)		Birthdate		
Address of Record		City	State	Zip
Daytime Phone		Email Address		
Account Type	<input type="checkbox"/> Traditional <input type="checkbox"/> Roth <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE			

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Section 2

Federal Tax Withholding Election and Information

If withholding is requested, there must be sufficient cash in your account to remit this withholding amount along with the associated withholding fee.

If you do not choose an election, we are required to withhold federal taxes at a flat 10% rate. We will not reverse any federal withholding in the event you neglect to make an election. The minimum allowable amount for federal withholding is 10%. Federal withholding must be designated as either a percentage or dollar amount. See *IRS Publication 505: Tax Withholding and Estimated Tax* available on the IRS website, www.irs.gov.

Withholding Notice Information (Section references are to the Internal Revenue Code):

- **Basic Information.** Generally, federal income tax withholding applies to payments made from pensions, profit sharing, stock bonuses, annuities, certain deferred compensation plans, IRAs, and commercial annuities.
- **Purpose of Form W-4R.** Unless you elect otherwise, federal income tax will be withheld from payments from IRAs. You can use IRS Form W-4R/OMB NO. 1545-0074 DEPT. OF TREASURY, INTERNAL REVENUE SERVICE, or a substitute form, such as that contained on this form furnished by STRATA, to instruct STRATA to withhold no tax from your IRA payments or to change previous elections for periodic payments
- **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 in Section 4 below. 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. 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 possessions.
- **More Withholding.** If you want more than the default rate withheld from your payment, you may enter a higher rate in the appropriate area below.
- **Less Withholding (Nonperiodic Payments Only).** Where permitted, you may enter a lower rate within the federal withholding section (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-”. For more information, please see Publication 505, *Tax Withholding and Estimated Tax*, and Publication 515, *Withhold of Tax on Nonresident Aliens and Foreign Entities*, available from most IRS offices.
- **Caution:** Remember that there are penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA using IRS Form W-4R or substitute version which is part of this form.
- **Statement of Income Tax Withheld from Your IRA.** By January 31 of next year, you will receive IRS Form 1099-R from STRATA showing the total amount of your IRA payments and the total federal income tax withheld during the year. Copies of IRS Form W-4R will not be sent to the IRS by STRATA.

☐ I acknowledge that I have read and understand the Withholding Notice Information above and that STRATA is not responsible for determining the appropriateness of the withholding election. I also understand that my federal withholding election is applicable to any subsequent scheduled distributions until I revoke the election under the procedure established by STRATA.

Federal Withholding Election (Fee applies, see STRATA's IRA Fee Schedule.)

Line 3 - See Appendix A *Marginal Rate Tables*, prior to making a selection for an electronic substitute for IRS Form W-4R to help you select the appropriate withholding rate.

<input type="checkbox"/>	(1) I elect NOT to have federal income tax withheld.
<input type="checkbox"/>	(2) I elect to have federal income tax withheld at a flat 10% rate.
<input type="checkbox"/>	(3) I elect to have federal income tax withheld at a _____% rate. The listed election percentage may be any whole percentage from 1-100. Any fractional percentage listed will be rounded up to the next whole number percentage.

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Section 3

State Tax Withholding Election and Information

If withholding is requested, there must be sufficient cash in your account to remit this withholding amount along with the associated withholding fee.

Failure to make a selection when a federal withholding amount has been chosen will result in the minimum amount being withheld as is applicable for your listed state of residence.

State Withholding Election (Fee applies, see STRATA's IRA Fee Schedule.)

Line 3 – If applicable, see Appendix B *State Income Tax Information and Withholding Information* prior to making your selection to help you select the appropriate withholding rate.

☐

(1) I elect **NOT** to have state income tax withheld.

☐

(2) I elect to have state income tax withheld per the attached State Income Tax and Withholding Information sheet.
If you live in a voluntary state, you must provide a specific amount or percentage below or select not to elect.

☐

(3) I elect to have state income tax withheld at a _____% rate, which is more than the listed minimum.

Section 4

Terms and Conditions

Please contact your tax professional with any questions regarding the possible tax consequences of a distribution.

By signing this form, I acknowledge that I have read and understand the **Withholding Notice Information** and that STRATA is not responsible for determining the appropriateness of the withholding election. I also understand that my federal withholding election is applicable to any subsequent scheduled distributions until I revoke the election under the procedure established by STRATA. STRATA may rely on the certification without further investigation or inquiry and shall incur no liability for this distribution request or its processing.



Accountholder or Beneficiary Signature

Date

Print Name

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