



# Retirement & Non-Retirement Accounts

SYSTEMATIC WITHDRAWAL / DISTRIBUTION REQUEST

## 1 Account Registration

### Individual & Joint Accounts

**i** FOR ASSISTANCE with this form, call Shareholder Services at (800) 662-0201, or Timothy Plan at (800) 846-7526.

COMPLETE AS NAME(S) APPEAR ON ACCOUNT STATEMENT.

NAME (First, Initial, Last) \_\_\_\_\_ TAXPAYER ID NUMBER OR SSN \_\_\_\_\_

JOINT NAME (if applicable) \_\_\_\_\_ TAXPAYER ID NUMBER OR SSN \_\_\_\_\_

ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

DAYTIME PHONE NUMBER \_\_\_\_\_ TIMOTHY PLAN ACCOUNT NUMBER \_\_\_\_\_

PLAN TYPE: (Select One)

Individual  Roth IRA

Joint Tenant  SEP-IRA

Traditional IRA  SIMPLE

Rollover IRA  Inherited (Beneficiary) IRA

U.S. CITIZENSHIP STATUS:  
 Citizen  
 Resident Alien  
 Nonresident Alien

## 2 Distribution Information (for Retirement Accounts Only)

### Retirement Plan Distribution

COMPLETE THIS SECTION ONLY FOR RETIREMENT PLANS.

DISTRIBUTION REASON: (Select One)

**A. Normal.** (age 59½ or older)  
 Check here if you are requesting the required minimum distribution required under IRS regulations.

**B. Early.** (under age 59½)  
 I am under the age of 59½ and not taking substantially equal payments. I understand that I may be subject to a 10% penalty unless an IRC 72(t) exception applies or the distribution is rolled over within 60 days of receipt to another IRA or retirement plan. For distributions from SIMPLE IRA plans, I understand that the penalty will increase to 25% if taken within the first two years of my participation in the plan.  
**For SIMPLE IRAs:** What was the date of the first contribution to your SIMPLE IRA? \_\_\_\_\_  
MM/DD/YYYY  
**Note:** Exceptions to the penalty include catastrophic medical expenses, certain health insurance premium if unemployed, higher education expenses and first-time home purchases (up to \$10,000). Consult a qualified tax adviser for more information.

**C. Early** (exception applies).  
 I am under the age of 59½, and substantially equal payments will be made at least annually for five years or until I reach the age of 59½, whichever is longer.

1. **Life expectancy** (installments in substantially equal payments under IRC Section 72(t))  
**Total annual payment of \$** \_\_\_\_\_  
 **Over my lifetime.**  
 My date of birth is \_\_\_\_\_  
MM/DD/YYYY

SELECT FREQUENCY:

Semi-Monthly  Semi-Annually

Monthly  Annually

Quarterly

a. Day in which deposit should begin (or the first business day thereafter, if a holiday or weekend): \_\_\_\_\_

b. Month in which deposit should begin: \_\_\_\_\_



# Retirement & Non-Retirement Accounts

SYSTEMATIC WITHDRAWAL / DISTRIBUTION REQUEST

## Retirement Plan Distribution (continued)

COMPLETE THIS SECTION ONLY FOR RETIREMENT PLANS.

### D. Permanent Disability.

Date you first became disabled \_\_\_\_\_.

The IRS considers a taxpayer to be exempt from the 10% early distribution penalty if the individual's condition meets the definition of "disabled" in IRC section 72(m)(7): "an individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration."

Provide a physician's statement that acknowledges your condition as meeting the IRS 72(m)(7) definition of "disabled." The physician's statement must indicate the date the disability began. If you are unable to obtain this statement from your physician, check "Early" as the type of distribution in this section.

### E. Rollover.

Assets will be deposited into another IRA within 60 days. For tax purposes, this distribution will be reported to the IRS based on your date of birth.

EMPLOYER PLAN NAME (PAYEE)

EMPLOYER PLAN ACCOUNT NUMBER

EMPLOYER PLAN ADDRESS

### F. Excess Contribution Removal.

In which tax year was the excess made? \_\_\_\_\_ Amount of excess \$\_\_\_\_\_. Earnings on the excess may also be distributed, depending upon the year the contribution was made.

Excess contribution was made in which taxable year? \_\_\_\_\_

Excess Contribution was made in the amount of \$\_\_\_\_\_

What is your tax filing deadline for year of excess? \_\_\_\_\_

Excess was originally made to:

- My IRA at Timothy Plan (referenced above)  Other IRA \_\_\_\_\_

**SELECT ONE:** (The default 10% withholding rule is applicable when removing excess contributions from a Traditional IRA, and Part 5 must be completed.)

- The excess correction is on or before tax filing deadline.**  
Refund excess plus earnings. Earnings may be negative, reducing amount withdrawn.

- This excess correction is after tax filing deadline plus any extensions.**  
Refund excess (no earnings) only.

REALLOCATION OF EXCESS CONTRIBUTION (Must have cash available. Cash contributions only.)

- Apply excess contribution towards tax year 20\_\_ and refund earnings (if withdrawn). To refund earnings please complete Distribution Options below and section 4.
- Apply both excess contribution and earnings (if withdrawn) towards tax year 20\_\_. Cannot exceed contribution limit.

### G. Divorce.

If distribution is being made to your spouse incident to decree of divorce, attach a copy of the decree. An IRA application is required for the receiving spouse, unless he/she has an existing IRA. Please provide the receiving spouse's existing IRA account number: \_\_\_\_\_.

### H. Death / Inherited. (Beneficiary of a deceased IRA Shareholder or the Estate.)

Please provide the following:

- Original or certified copy of the death certificate.
- W-9 form completed with the appropriate SSN for each beneficiary.
- Special mailing instructions in the additional comments section.

#### 1. Are you an Eligible Designated Beneficiary?

- YES  NO

If you answered NO, STOP. You do not need to complete Section 3.

#### 2. If the Inherited IRA is a Traditional, SEP or SIMPLE IRA, did the IRA owner die before his/her required beginning date?

- YES  NO

If you answered NO, STOP. You do not need to complete Section 3.

**Retirement Plan Distribution** *(continued)*

COMPLETE THIS SECTION ONLY FOR RETIREMENT PLANS.

**H. Death / Inherited.** (Continued.)

**3a. Nonspouse Beneficiary Only**

Is this election being made on or before December 31 of the year following the IRA owner's death?

YES  NO

If you answered YES, go to Section 3.

If you answered NO, STOP. You do not need to complete a beneficiary distribution option election.

**3b. Spouse Beneficiary Only**

Is this election being made on or before December 31 of the year following the IRA owner's death?

YES  NO

If you answered YES, go to Section 3.

If you answered NO, answer the following question to determine whether a beneficiary distribution option election is required.

Is this election being made on or before the earlier of

- December 31 of the 10th calendar year following IRA owner's year of death, or
- December 31 of the year the IRA owner would have attained 73 years of age (or age 72, if born in 1950 or earlier)?

YES  NO

If you answered YES, go to Section 3.

If you answered NO, STOP. You do not need to complete Section 3.

**3 Beneficiary Distribution Option Election**

**Election**

**i** NOTE: Electing one of the distribution options below does not preclude you from accelerating distributions at any time. If you are a spouse beneficiary, electing one of the distribution options below also does not preclude you from moving the inherited IRA funds to an IRA established in your own name in the future.

ELECTION TYPE: *(Select One)*

- Life Expectancy Payments  
 10-Year Rule

**4 Liquidation Information**

**Distribution Options**

If no share class is indicated, Class A shares will be sold first.

One-time distribution.

All

Partial distribution. *(Complete the section below)*

FUND NAME(S)	CLASS	DISTRIBUTION	
1. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	_____ %
2. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	_____ %
3. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	_____ %
4. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	_____ %

**Systematic Withdrawal**

Installment payments. *(Do not complete if requesting life-expectancy payments.)*

FREQUENCY :  Monthly  Quarterly  Annually *(until further notice)*

START DATE: \_\_\_\_\_  
MM/DD/YYYY

FUND NAME(S)	CLASS	WITHDRAWAL	
1. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	_____ %
2. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	_____ %
3. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	_____ %
4. _____	<input type="checkbox"/> A <input type="checkbox"/> C <input type="checkbox"/> I	\$ _____	_____ %

**Payment Instructions****Methods of Payment**

- A. The undersigned to the address of record.**  
 **B. To the following address:** *(Signature Guarantee Required)*

NAME \_\_\_\_\_  
 ADDRESS \_\_\_\_\_ CITY, STATE ZIP \_\_\_\_\_

- C. Deposit into existing account number:** \_\_\_\_\_  
 **D. By ACH, at no charge, directly into my checking account.** *(Bank information must be on file.)*  
 **E. Direct Transfer/Rollover to another institution.** *(Rollovers cannot be made for hardship distributions. Distributable event may be required. Signature Guarantee Required.)*

NEW CUSTODIAN \_\_\_\_\_ ACCOUNT NUMBER \_\_\_\_\_  
 ADDRESS \_\_\_\_\_ CITY, STATE ZIP \_\_\_\_\_  
 DAYTIME PHONE NUMBER \_\_\_\_\_ CONTACT PERSON \_\_\_\_\_

- F. Qualified Charitable Distribution (QCD).**  
 MAIL CHECK(S):  **Address of Record** *(information must still be completed)*  **Directly to Qualified Charity**


CHECKS PAYABLE TO \_\_\_\_\_ EIN \_\_\_\_\_  
 ADDRESS \_\_\_\_\_ CITY, STATE ZIP \_\_\_\_\_

- G. By wire into my bank checking account.** *(Complete the Checking or Savings section below)*

## CHECKING OR SAVINGS ACCOUNT INFORMATION

NAME OF BANK \_\_\_\_\_ BANK'S PHONE NUMBER \_\_\_\_\_ ABA ROUTING NUMBER \_\_\_\_\_  
 BANK ADDRESS \_\_\_\_\_  
 CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_  
 NAME(S) ON BANK ACCOUNT \_\_\_\_\_ BANK ACCOUNT NUMBER \_\_\_\_\_


ACCOUNT TYPE:  
 Checking  
 Savings


 **NO CHECKS?** If you do not have a check or preprinted deposit slip for this account, please contact your savings account provider for wiring instructions, or call **(800) 662-0201**.

Tape your voided check or preprinted deposit slip here.

**PLEASE DO NOT USE STAPLES.**

**Federal Withholding****Federal Income Tax Election**

 **NOTE:** Federal law requires us to withhold income tax equal to 10% of the distribution unless you elect otherwise. If we withhold federal tax, state tax may also be required (see Section 2). You may want more than 10% withheld because insufficient withholding or underpayment of estimated taxes may result in IRS penalties.

 **ROTH IRA:** We will not withhold taxes from distributions from ROTH IRA's unless specifically asked to do so.

**Completion and execution of this form, including any federal withholding election made herein, obviates the need to complete a separate Internal Revenue Form W-4R. A copy of IRS Form W-4R with instructions is attached for your reference.**

- A portion of your Roth IRA distribution may be taxable. Consult your tax advisor if you have concerns.
- The withholding percentage elected or the default withholding percentage will be applied to the entire distribution amount, with the rate withheld determined by the type of payment you receive.
- Check with your tax advisor to determine if a state tax is applicable.

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% below. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories. (See the attached Form W-4R for more information).

Complete this section if you would like a rate of withholding that is different from the default withholding rate. See the instructions and the Marginal Rate Tables in the attached Form W-4R for additional information. Enter the rate as a whole number (no decimals).

Withhold \_\_\_\_\_%.

## OPTIONAL REQUEST

- Please send the gross amount requested.** *(Unless otherwise noted, the amount of money withheld will be deducted from the amount you requested.)*

## 7 State Withholding

### State Tax Election

**i NOTE:** State income tax withholding may not be available for all states. If applicable, mandatory state income tax will be withheld from the distribution in accordance with state tax guidelines.

Your state of residence will determine your state income tax withholding requirements, if any. Those states with mandatory withholding may require state income tax to be withheld from payments if federal income taxes are withheld or may mandate a fixed amount regardless of your federal tax election. Voluntary states let individuals determine whether they want state taxes withheld. Some states have no income tax on retirement payments. Please consult with a tax advisor or your state's tax authority for additional information on your state requirements.

Name of Withholding State \_\_\_\_\_ Withhold \_\_\_\_\_%.

OPTIONAL REQUEST

Do not withhold state income tax.

## 8 Spousal Beneficiary

### Spousal Information

Complete this section only if your spouse is your sole beneficiary and also is more than 10 years younger than you.

NAME (First, Initial, Last) _____		DATE OF BIRTH _____
ADDRESS _____		
CITY _____	STATE _____	ZIP _____
DAYTIME PHONE NUMBER _____	EMAIL (optional) _____	TAXPAYER ID NUMBER OR SSN _____

## 9 Acknowledgment

### Your Signature

**! WARNING:** This application will not be processed unless signed below by the shareholder or beneficiary).

**i SIGNATURE GUARANTEE:** For gifts over \$10,000 in value, the signature of the account owners must be guaranteed by a financial institution of the type described in the Fund prospectus. The Custodian will accept medallion guarantees obtained from banks or brokerage firms that are members of either the Securities Transfer Agents Medallion Program (STAMP), the New York Stock Exchange, Inc., Medallion Signature Program (MSP), or the Stock Exchanges Medallion Program (SEMP). A notary public is not an acceptable guarantor.

I direct Constellation Trust Company (Constellation) to make distributions from my account in the manner I have indicated, and I assume sole responsibility for the tax consequences of the withholding election. I certify that the above information and attached documentation are accurate and that I am entitled to receive the payments for which I have applied. If I selected a direct rollover in Section 2, my signature hereby certifies that the plan is an eligible retirement plan for the purposes of receiving the direct rollover, and I have verified with the plan custodian/trustee that the receiving plan will accept rollovers.

In consideration of Constellation acting on such instructions and processing such transactions, or should I not be entitled to all or any part of the payments for which I have applied, I agree to hold harmless and indemnify Constellation; any of its affiliates or mutual funds managed by such affiliates; and each of their respective directors, trustees, officers, employees and agents from any losses, expenses, costs or liability (including attorney fees) that may be incurred as a result of Constellation acting on such instructions. 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 Constellation. The termination request will be effective as soon as Constellation has had reasonable time to act upon it.

\_\_\_\_\_  
SIGNATURE OF SHAREHOLDER OR BENEFICIARY

\_\_\_\_\_  
DATE

**10****Definitions**

**10-YEAR RULE.** With the 10-Year Rule option when the Inherited IRA is a Roth IRA, or it is a Traditional, SEP, or SIMPLE IRA and the IRA owner died before his/her required beginning date, a beneficiary may take withdrawals as slowly or as quickly as they wish provided all funds are withdrawn by the end of the tenth year following the year of the IRA owner's death. There is no schedule for how payments must come out, but the IRA must be depleted by December 31 of the tenth year.

**LIFE EXPECTANCY PAYMENT SPOUSE BENEFICIARY.** With the Life Expectancy Payment Option for a spouse beneficiary, when the Inherited IRA is a Roth IRA, or it is a Traditional, SEP, or SIMPLE IRA and the IRA owner died before their required beginning date, a minimum amount must be withdrawn each year beginning in the calendar year following the IRA owner's death. However, a spouse beneficiary may generally elect to delay their first distribution until the calendar year the owner would have attained RMD age (i.e., age 72 if born after June 30, 1949, but before January 1, 1951, age 73 if born after December 31, 1950, and before January 1, 1960, and age 75 if born after December 31, 1959).

**LIFE EXPECTANCY PAYMENT NONSPOUSE BENEFICIARY.** With the Life Expectancy Payment Option for a nonspouse beneficiary, when the Inherited IRA is a Roth IRA, or it is a Traditional, SEP, or SIMPLE IRA and the IRA owner died before his/her required beginning date, a minimum amount must be withdrawn each year beginning in the calendar year following the year of the IRA owner's death. The life expectancy payment is generally based on the beneficiary's single life expectancy, nonrecalculated. In addition, if the beneficiary is an Eligible Designated Beneficiary only because the beneficiary is a child of the IRA owner and was under the age of 21 on the date of the IRA owner's death the entire Inherited IRA must be depleted no later than December 31 of the year in which the beneficiary attains age 31.

**REQUIRED BEGINNING DATE.** The required beginning date is the date by which IRA owners must begin taking money out of their Traditional, SEP or SIMPLE IRAs. The required beginning date for individuals born before July 1, 1949, is the April 1 following the year they attained the age of 70½. The required beginning date for individuals born after June 30, 1949, but before January 1, 1951, is April 1 following the year they attain age 72. The required beginning date for individuals born after December 31, 1950, and before January 1, 1960, is April 1 following the year they attain age 73. The required beginning date for individuals born after December 31, 1959, is April 1 following the year they attain age 75.

**11****Mailing Your Application****Return Completed Form**

USE YOUR PREFERRED MAILING METHOD.

## REGULAR DELIVERY:

Timothy Plan  
 c/o Ultimus Fund Solutions, LLC  
 Post Office Box 541150, Omaha, NE 68154

## OVERNIGHT DELIVERY:

Timothy Plan  
 c/o Ultimus Fund Solutions, LLC  
 4221 N 203rd St, Ste 100, Elkhorn, NE 68022

Phone		(800) 662-0201
Local		(402) 493-4603
Fax		(402) 963-9094



<b>1a</b> First name and middle initial	Last name	<b>1b</b> Social security number
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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.

<b>2</b> 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) . . . . .	<b>2</b>	%
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<b>Sign Here</b>	Your signature (This form is not valid unless you sign it.) _____	Date _____
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**General Instructions**

Section references are to the Internal Revenue Code.

**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](http://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.

**2024 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%
14,600	10%	29,200	10%	21,900	10%
26,200	12%	52,400	12%	38,450	12%
61,750	22%	123,500	22%	85,000	22%
115,125	24%	230,250	24%	122,400	24%
206,550	32%	413,100	32%	213,850	32%
258,325	35%	516,650	35%	265,600	35%
623,950*	37%	760,400	37%	631,250	37%

\* If married filing separately, use \$380,200 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 2024, 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;
- Generally, distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

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

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

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

## Specific Instructions

### Line 1b

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

### Line 2

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

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

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

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

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

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

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

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

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

**Example 1.** You expect your total income to be \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, 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 \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700, is



greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter "13" on line 2.

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**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.