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Navy Federal®

Federal and State Income Tax Withholding Election Notice for IRAs

(Form W4-R/OMB No.1545-0074)

Please return this completed form through one of the following methods:

- **Digital Bankng:** Attach signed form to eMessage
- **Fax Number:** (703) 206-4250
- **Visit your local branch**
- **Mail:** PO Box 3001, Merrifield, VA 22119-3001

Access No.	Toll-Free Number
	(888) 842-6328

A. Your Information *(Please print.)*

Name: First	MI	Last	Suffix	Phone No.

Current Home Address: Street	City	State	ZIP Code	Last Four Digits of Your Social Security No.
				XXX-XX- ____ ____ ____ ____

IRA Plan Type *(Please check box(es) for appropriate plan(s).)*

☐ Traditional IRA ☐ SEP IRA

If you would like different federal and/or state withholding for each IRA plan type, please complete a separate NFCU 603 form.

B. Important Withholding Notice

Your federal and state withholding election will remain in effect for any subsequent withdrawals until Navy Federal receives a new withholding election from you. Any future IRA withdrawals may impact your current tax withholding election if a different election is selected on that instruction. If no withholding instructions are provided, we are required to withhold 10% of each distribution for federal taxes, and the minimum percent for the states listed in Section F, or use the last known election on file. If you elect not to have withholding applied to your distributions, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and your estimated tax payments are not sufficient.

C. Federal Tax Withholding Election

☐ **No Withholding–**Please **DO NOT** withhold any portion of the proceeds from my IRA distribution for federal taxes.

☐ **Federal–**I elect the following percentage to be withheld for federal tax: _____ % *(minimum 1%) (Election must be a whole percent.)*

D. Federal Withholding Notice Information *(Form W-4R/OMB No. 1545-0074)*

Basic Information About Withholding From IRAs

Generally, federal income tax withholding applies to payments made from IRAs.

Purpose of Form W-4R

Unless you elect otherwise, federal income tax will be withheld from payments from IRAs. You can use Form W-4R or a substitute form, such as that contained on this form furnished by the Trustee or Custodian, to instruct your Trustee or Custodian to withhold no tax from your IRA payments *(or to revoke this election)*. This substitute form should be used only for distributions from IRAs that are payable upon demand.

Non-Periodic Payments

Payments from IRAs that are payable upon demand are treated as non-periodic payments for federal income tax purposes. Generally, non-periodic payments must have income tax withheld at a rate not less than 10%.

You can elect to have no income tax withheld from a non-periodic payment *(IRA payment)* by filing Form W-4R or a substitute form with the Trustee or Custodian and checking the appropriate box on that form. Your election will remain in effect for any subsequent distribution unless you change or revoke it.

A US citizen or resident alien may not waive withholding, or elect less than 10% withholding, on any distribution delivered outside of the US or its possessions. Distributions to a non-resident alien are generally subject to a tax-withholding rate of 30%. A reduced withholding rate, including exemption, may apply if there is a tax treaty between the non-resident alien's country of residence and the United States, and the non-resident alien submits Form W8-BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, or satisfies the documentation requirements as provided under the regulations.

For more information, please see Publication 505, *Tax Withholding and Estimated Tax,* and Publication 515*, Withholding of Tax on Non-resident 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 Form W-4P.

Revoking the Exemption From Withholding

If you want to revoke your previously filed exemption from withholding, file another Form W-4R 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, you will receive a statement from your Trustee or Custodian showing the total amount of your IRA payments and the total federal income tax withheld during the year. Copies of Form W-4R will not be sent to the IRS by the Trustee or Custodian.

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E. Important Notice for State Tax Withholding

This form is not intended to provide you with complete withholding rules and regulations for state tax withholding from your Traditional and/or SEP IRA distributions. Navy Federal makes every effort to obtain information about state tax law from state revenue authorities, and every effort has been made to ensure its accuracy. Because state tax laws are subject to change, often without prior notice, the accuracy of the information cannot be guaranteed beyond the revision date of the form. Seek professional tax advice if you have questions regarding state withholding requirements that apply to your IRA distribution.

F. State Tax Withholding Election From IRA Distribution *(Select one.)*

State income tax withholding for your Traditional and SEP IRA distributions may be required. **Please review the requirements for your state on the following page carefully before completing your state withholding election.** Navy Federal can only withhold for the following listed states and District of Columbia. Navy Federal cannot withhold an amount less than the required minimum for your state. If no election is made, the minimum withholding will be taken based on your state on record with Navy Federal.

It is your responsibility to ensure your State Tax election is up to date with Navy Federal by submitting a new 603 form with election updates. Changing your address with Navy Federal will not change your State Tax election for IRA distributions.

Arkansas (AR)

☐ Withhold 3.00% ☐ Withhold _____%*
☐ Do not withhold

*must be greater than 3.00%

Kansas (KS)

☐ Withhold 5.58% ☐ Withhold _____%*
☐ Do not withhold

*must be greater than 5.58%

North Carolina (NC)

☐ Withhold 4.00% ☐ Withhold _____%*
☐ Do not withhold

*must be greater than 4.25%

California (CA)

☐ Withhold 10.00% of the federal tax withheld amount*
☐ Withhold _____% of the federal tax withheld amount**
☐ Do not withhold

*withheld amount cannot be less than $10
**must be greater than 10.00% *(Election must be a whole percent.)*

Maine (ME)

☐ Withhold 5.00% ☐ Withhold _____%*
☐ Do not withhold

*must be greater than 5.00%

Oklahoma (OK)

☐ Withhold 4.50% ☐ Withhold _____%*
☐ Do not withhold because I waived federal withholding

*must be greater than 4.50%

Connecticut (CT)

☐ Withhold 6.99% ☐ Withhold _____%*
☐ Do not withhold based on my Form CT-W4P**

*must be greater than 6.99%
**it is not required to return this NFCU 603 form with the CT-W4P form when waiving withholding, unless you are also making a federal tax election or change in Section C.

Massachusetts (MA)

☐ Withhold 5.00% ☐ Withhold _____%*
☐ Do not withhold because I waived federal withholding

*must be greater than 5.00%

Oregon (OR)

☐ Withhold 8.00% ☐ Withhold _____%*
☐ Do not withhold

*must be greater than 8.00%
Note: Withheld amount cannot be less than $10

Delaware (DE)

☐ Withhold 5.00% ☐ Withhold _____%*
☐ Do not withhold because I waived federal withholding

*must be greater than 5.00%

Michigan (MI)

☐ Withhold 4.25% ☐ Withhold _____%*
☐ Do not withhold based on my Form MI-W-4P**

*must be greater than 4.25%
**it is not required to return this NFCU 603 form with the MI-W-4P form when waiving withholding, unless you are also making a federal tax election or change in Section C.

Vermont (VT)

☐ Withhold 30.00% of the federal tax withheld amount
☐ Withhold _____% of the federal tax withheld amount*
☐ Do not withhold because I waived federal withholding

*must be greater than 30.00% *(Election must be a whole percent.)*

District of Columbia (DC)

Information Only: District of Columbia tax withholding is mandatory for lump sum distributions of the full IRA plan. Withholding is 10.75% of distribution amount. Withholding cannot be waived or adjusted. District of Columbia does not allow withholding on partial IRA plan distributions.

Minnesota (MN)

☐ Withhold 6.25% ☐ Withhold _____%*
☐ Do not withhold based on my W-4MNP form**

*must be greater than 6.25%
**it is not required to return this NFCU 603 form with the W-4MNP form when waiving withholding, unless you are also making a federal tax election or change in Section C.

Virginia (VA)

☐ Withhold 4.00% ☐ Withhold _____%*
☐ Do not withhold

*must be greater than 4.00%

Iowa (IA)

☐ Withhold 3.80% ☐ Withhold _____%*
☐ Do not withhold

*must be greater than 3.80%

Nebraska (NE)

☐ Withhold 3.50% ☐ Withhold _____%*
☐ Do not withhold because I waived federal withholding

*must be greater than 3.50%

G. Signature

I hereby revoke any previous federal and state tax withholding election on file. The new requested tax withholding election will apply to all subsequent IRA distributions, including any Required Minimum Distribution (RMD) instructions on file for the selected IRA Plan.

Print Name

Signature of Applicant *(Required)* ▶

Date *(MM/DD/YY)*

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State Tax Withholding Information Sheet

This information is not intended to provide you with complete withholding rules and regulations for state tax withholding. Navy Federal makes every effort to obtain information about state tax law from state revenue authorities, and every effort has been made to ensure its accuracy. Because state tax laws are subject to change, often without prior notice, the accuracy of the information cannot be guaranteed beyond the revision date of the form. Seek professional tax advice if you have questions regarding state withholding requirements that apply to your Traditional and/or SEP IRA distribution. State tax is not required for Roth IRA distributions.

IMPORTANT: Please review the below requirements for your state carefully before completing your state withholding election. Navy Federal can only withhold for the following listed states and District of Columbia. Navy Federal cannot withhold an amount less than the required minimum for your state. If no election is made, the minimum withholding will be taken based on your state on record with Navy Federal.

It is your responsibility to ensure your State Tax election is up to date with Navy Federal by submitting a new 603 form with election updates. Changing your address with Navy Federal will not change your State Tax election for IRA distributions.

Arkansas (AR): The minimum withholding rate is 3.00% of the distribution amount. Withholding is required if electing to have federal tax withheld. AR state tax can be waived or increased.

California (CA): The minimum withholding rate is 10.00% of the federal tax withheld amount. CA state tax can be waived or increased. The amount of withholding **cannot** be less than $10. *(Election must be a whole percent.)*

Connecticut (CT): The minimum withholding rate is 6.99% of the distribution. CT state tax can be waived or increased. CT requires completing and returning form CT-W4P to waive withholding. NOTE: If you have a CT-W4P form requesting to waive on file with Navy Federal, and it is your last election, you do not need to submit a new CT-W4P form to waive withholding.

Delaware (DE): The minimum withholding rate is 5.00% of the distribution amount. DE state tax can be waived or increased.

District of Columbia (DC): Withholding is mandatory at a rate of 10.75% for lump sum distributions of the full IRA plan balance. This withholding **cannot** be waived. Withholding on partial IRA distributions is not allowed.

Iowa (IA): The minimum withholding rate is 3.80% of the distribution amount. IA state tax can be waived or increased.

Kansas (KS): The minimum withholding rate is 5.58% of the distribution. Withholding is required if electing to have federal tax withheld. KS state tax can be waived or increased.

Maine (ME): The minimum withholding rate is 5.00% of the distribution. Withholding is required if electing to have federal tax withheld. ME state tax can be waived or increased.

Massachusetts (MA): The minimum withholding rate is 5.00% of the distribution. Withholding is mandatory if electing to have federal tax withheld. MA state tax **cannot** be waived if federal tax is withheld. MA state tax can be increased.

Michigan (MI): The minimum withholding rate is 4.25% of the distribution. MI state tax can be waived or increased. **MI requires completing and returning form MI-W-4P to waive withholding. NOTE:** If you have a MI-W-4P form requesting to waive on file with Navy Federal, and it is your last withholding election, you do not need to submit a new MI-W-4P form to waive withholding.

Minnesota (MN): The minimum withholding rate is 6.25% of the distribution. MN state tax can be waived or increased. **MN requires completing and returning form W-4MNP to waive withholding. NOTE:** If you have a W-4MNP form requesting to waive on file with Navy Federal, and it is your last withholding election, you do not need to submit a new W-4MNP form to waive withholding.

Nebraska (NE): The minimum withholding rate is 3.50% of the distribution. Withholding on premature distributions is not allowed regardless of federal tax election. For other than premature distributions, NE state withholding is mandatory if federal tax is withheld and **cannot** be waived. NE state tax can be increased.

North Carolina (NC): The minimum withholding rate is 4.00% of the distribution. Withholding is required if electing to have federal tax withheld. NC state tax can be waived or increased.

Oklahoma (OK): The minimum withholding rate is 4.50% of the distribution. Withholding is mandatory if electing to have federal tax withheld. OK state tax **cannot** be waived if federal tax is withheld. OK state tax can be increased.

Oregon (OR): The minimum withholding rate is 8.00% of the distribution. Withholding is required if electing to have federal tax withheld. OR state tax can be waived or increased. The amount of withholding **cannot** be less than $10.

Vermont (VT): The minimum withholding rate is 30.00% of the federal tax withheld amount. Withholding is mandatory if electing to have federal tax withheld. VT state tax **cannot** be waived if federal tax is withheld. VT state tax can be increased. *(Election must be a whole percent.)*

Virginia (VA): The minimum withholding rate is 4.00% of the distribution amount. VA state tax can be waived or increased.

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