

N. ADDITIONAL INFORMATION

Beneficiary Types:

Eligible Designated Beneficiary: An individual that has been designated as a beneficiary and, on the date of the IRA holder's death, is:

1. The surviving spouse of the IRA holder.
2. A minor child of the IRA holder.
 - Special distribution rules apply. Please see "Distribution Options and Definitions" below for information.
3. A disabled or chronically ill individual.
4. Any other individual who is not more than 10 years or younger than the IRA holder.

Qualified Trust

Please seek assistance from a financial professional to determine if the trust is qualifying. It is the responsibility of the trustee to ensure that the following conditions are met for a trust to be considered a qualifying trust.

1. The trust must be **valid trust under state law** or be a trust that would be valid except for the fact that it has no corpus.
2. The trust must be **irrevocable** or, by its terms, become irrevocable upon the death of the participant.
3. The **beneficiaries** of the trust **must be identifiable** from the trust instrument.

Designated Beneficiary: A named primary beneficiary who is still alive as of the IRA holder's death, is an individual, and does not fall into one of the Eligible Designated Beneficiary categories listed above. They must therefore completely distribute the inherited assets by the end of the 10th year following the death of the IRA holder.

Non-Designated Beneficiary: An IRA beneficiary that does not have a life expectancy. Non-person entities (e.g. estates, charitable organizations, non-qualified trusts) are considered non-designated beneficiaries.

Distribution Options and Definitions:

Single Life Expectancy Payments: These are annual distributions based on the single life expectancy of either the beneficiary or the deceased IRA owner. The amount may be recalculated or non-recalculated depending on the circumstances such as the beneficiary's relationship and the age of the deceased IRA owner. The amount is calculated using the Single Life Expectancy Table (see Publication 590-B, www.irs.gov), the December 31 prior year balance, and the appropriate distribution period from the table. The distributions must generally begin by December 31 of the year following the account owner's death. A spouse as sole beneficiary may delay taking these distributions until December 31 of the year the account owner would have reached the age of 70 ½ (if they passed away prior to 2020) or 72 (if they passed away after 2019).

- For deaths on or after January 1, 2020 and if the IRA owner passed away prior to reaching age 72:
 - Eligible designated minor beneficiaries may take life expectancy payments until they reach the age of majority (21). They are then subject to the 10-Year Rule and must deplete the account by December 31 of the year they turn 31.
- For deaths on or after January 1, 2020 and if the IRA owner passed away on or after reaching age 72:
 - Eligible designated minor beneficiaries may take life expectancy payments and must fully distribute the account by December 31 of the year they turn 31.

5-Year Rule: The assets must be fully distributed no later than December 31 of the fifth year following the account owner's death. Distributions may be taken at any time or systematically (fixed dollar, annual percentage, 5 year declining balance).

10-Year Rule: The assets must be fully distributed by December 31 of the year containing the 10th anniversary of the account owner's death. Distributions may be taken at any time or systematically (fixed dollar, annual percentage, 10 year declining balance).

*If the IRA owner passed away on or after the required beginning date, life expectancy payments must be made for the first 9 years, beginning in the year following the IRA owner's death. The account must be fully distributed by the end of the 10th year containing the anniversary of the IRA owner's death.

Required Beginning Date: April 1 of the year following attainment of age 70 ½ (if the IRA owner reached 70 ½ on or before December 31, 2019) OR April 1 of the year following attainment of age 72 (if the IRA owner reached 70 ½ on or after January 1, 2020).

Recalculated and Non-recalculated: Life expectancy distributions from an Inherited IRA are either recalculated or non-recalculated. Both calculations use the Single Life Expectancy Table (which can be found in Publication 590-B on www.irs.gov) and dividing the December 31 prior year balance by the appropriate distribution period (or divisor). The recalculated method is only available to spouse beneficiaries and involves referencing the Single Life Expectancy table each year to find the appropriate distribution period, while the non-recalculated method is available to non-spouse beneficiaries (and, in certain situations, may apply to spouse beneficiaries). The non-recalculated method involves referencing the Single Life Expectancy Table only one time (during the first distribution year) and subtracting one from the divisor each year until the account is depleted.

**Under the proposed regulations, non-eligible designated beneficiaries subject to the 10-year rule are required to take annual distributions for 9 years, beginning in the year after death, if the original IRA owner passed away on or after his or her required beginning date. As these regulations are not final, beneficiaries who are impacted may wish to consult with a competent tax advisor for guidance on whether annual distributions should be taken.*

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.

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 below 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.

2023 Marginal Rate Tables

You may use these table 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 *Specific Instructions* on the following page for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying widow(er)		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%
13,850	10%	27,700	10%	20,800	10%
24,850	12%	49,700	12%	36,500	12%
58,575	22%	117,150	22%	80,650	22%
109,225	24%	218,450	24%	116,150	24%
195,950	32%	391,900	32%	202,900	32%
245,100	35%	490,200	35%	252,050	35%
591,975*	37%	721,450	37%	598,900	37%

*If married filing separately, use \$360,725 instead for this 37% rate.

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 K. 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-” in Section K. See the *Specific Instructions* on the following page 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 2023, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

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-” in Section K. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate in Section K.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate in Section K (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 10 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 in Section K. (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 in Section K. (See *Example 2*.)

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 in Section K.

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 \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$80,000, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. Because these two rates are the same, enter “22” in Section K.

Example 2. You expect your total income to be \$42,500 without the payment. Step 1: Because your total income without the payment, \$42,500, is greater than \$24,850 but less than \$58,575, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$62,500, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. The two rates differ. \$16,075 of the \$20,000 payment is in the lower bracket (\$58,575 less your total income of \$42,500 without the payment), and \$3,925 is in the higher bracket (\$20,000 less the \$16,075 that is in the lower bracket). Multiply \$16,075 by 12% to get \$1,929. Multiply \$3,925 by 22% to get \$863.50. The sum of these two amounts is \$2,792.50. This is the estimated tax on your payment. This amount corresponds to 14% of the \$20,000 payment (\$2,792.50 divided by \$20,000). Enter “14” in Section K.

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 hear from you. See the instructions for your income tax return.