



Please Print or Type

CUID (Credit Union will Complete)

Credit Union 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 70½ OR DISABLED

COMPLETE SECTIONS 1 AND 2 BELOW IF YOU ARE DISABLED OR ARE BETWEEN AGES 59½ AND 70½

Section 1 (Check one)

- 1. I am disabled.
2. I am between ages 59½ and 70½.

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
2. Quarterly
3. Semiannually
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 credit union.

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

FEDERAL WITHHOLDING ELECTION

- 1. WITHHOLD 10% federal income tax from my payments.
2. DO NOT WITHHOLD 10% federal income tax from my payments.
3. WITHHOLD % federal income tax from my payments.

Complete an IRA State Income Tax Withholding Election (Form 2312) if applicable.

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)

WHITE-ADMINISTRATOR COPY CANARY-CREDIT UNION COPY PINK-OWNER COPY

## WITHHOLDING NOTICE

Payments from your IRA are subject to federal income tax withholding, unless you elect no withholding.

You may change your withholding election at any time prior to your receipt of a payment. To change your withholding election, complete the appropriate form provided by your credit union.

Withholding from IRA payments, when combined with other withholding, MAY relieve you from payment of estimated income taxes. However, your withholding election does not affect the amount of income tax you pay.

You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are insufficient.

### 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.