

WITHHOLDING NOTICE INFORMATION (FORM W-4R/OMB No. 1545-0074)

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 Publication 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.

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 the Withholding Election section. 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 the Withholding Election section. 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.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and Publication 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 the Withholding Election section. See Pub. 3920, *Tax Relief for Victims of Terrorist Attacks*, for more details.

WITHHOLDING NOTICE INFORMATION (FORM W-4P/OMB NO. 1545-0074)

Basic Information about Withholding from Pensions and Annuities. Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit sharing, stock bonus, annuity, and certain deferred compensation plans; from IRAs; and from commercial annuities.

Caution: There may be penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505, *Tax Withholding and Estimated Tax*. 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.

Purpose of Form W-4P. Unless you elect otherwise, 10 percent federal income tax will be withheld from payments from individual retirement accounts (IRAs). You can use Form W-4P (or a substitute form, such as this form), provided by the trustee or custodian, to instruct your trustee or custodian to withhold no tax from your IRA payments or to withhold more than 10 percent. This substitute form should be used only for withdrawals from IRAs that are payable upon demand.

Non-periodic Payments. Payments made from IRAs that are payable upon demand are treated as non-periodic payments for federal income tax purposes. Generally, non-periodic payments must have at least 10 percent income tax withheld.

Your election will remain in effect for any subsequent withdrawal unless you change or revoke it.

Payments Delivered Outside of the U.S.A U.S. citizen or resident alien may not waive withholding on any withdrawal delivered outside of the U.S. or its possessions. Withdrawals by a nonresident alien generally are subject to a tax withholding rate of 30 percent. A reduced withholding rate may apply if there is a tax treaty between the nonresident alien's country of residence and the United States and if the nonresident alien submits Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, or satisfies the documentation requirements as provided under federal regulations. The Form W-8BEN must contain the foreign person's taxpayer identification number. **For more information,** Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and Publication 519, *U.S. Tax Guide for Aliens*, are available on the IRS website at www.irs.gov or by calling 1-800-TAX-FORM.

Revoking the Exemption from Withholding. If you want to revoke your previously filed exemption from withholding, file another Form W-4P 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, your trustee or custodian will provide a statement to you and to the IRS showing the total amount of your IRA distributions and the total federal income tax withheld during the year. Copies of Form W-4P will not be sent to the IRS by the trustee or custodian.

REPORTING INFORMATION APPLICABLE TO TRADITIONAL IRA AND SIMPLE IRA WITHDRAWALS

You must supply all requested information for the withdrawal so the trustee or custodian can properly report the withdrawal.

If you have any questions regarding a withdrawal, please consult a competent tax professional or refer to IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, for more information. This publication is available on the IRS website at www.irs.gov or by calling 1-800-TAX-FORM.

WITHDRAWAL REASON

IRA assets can be withdrawn at any time. Most IRA withdrawals are reported to the IRS. IRS rules specify the distribution code that must be used to report each withdrawal on IRS Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*

Transfer to Another IRA. Transfers are not reported on Form 1099-R. Transfers may be made by an IRA owner, beneficiary, or former spouse under a transfer due to a divorce. Inherited IRA assets may only be transferred to another inherited IRA, unless you are a spouse beneficiary.

Normal Withdrawal (Age 59½ or older). If you are age 59½ or older, withdrawals (including required minimum distributions) are reported on Form 1099-R using code 7.

Early Withdrawal (Under age 59½). If you are under age 59½, withdrawals for any reason not listed below are reported on Form 1099-R using code 1.

- **Disability.** If you are under age 59½ and disabled, withdrawals are reported on Form 1099-R using code 3.
- **Direct Conversion to a Roth IRA, Substantially Equal Periodic Payments, or IRS Levy.** If you are under age 59½, withdrawals due to direct conversions to a Roth IRA, substantially equal periodic payments, or IRS levy are reported on Form 1099-R using code 2. Certain distributions taken due to federally declared disasters also are reported using code 2. Please refer to the IRS website at www.irs.gov for more information and a listing of the disaster areas.
- **SIMPLE IRA Withdrawal in the First Two Years (No IRS penalty exception).** If you are under age 59½ and less than two years have passed since the first contribution to your SIMPLE IRA, withdrawals are reported on Form 1099-R using code S.

Death Withdrawal by a Beneficiary. Withdrawals by beneficiaries following the death of the original IRA owner are reported on Form 1099-R using code 4. Use code G with code 4 for a surviving spouse beneficiary who elects a direct rollover to an eligible employer-sponsored retirement plan.

Direct Rollover to an Eligible Employer-Sponsored Retirement Plan. Direct rollovers to eligible employer-sponsored retirement plans (Internal Revenue Code Section (IRC Sec.) 401(a) (e.g., 401(k), profit sharing, money purchase pension plan), annuity plan (IRC Sec. 403(a)), tax-sheltered annuity plan (IRC Sec. 403(b)), or governmental deferred compensation plan (IRC Sec. 457(b)) are reported on Form 1099-R using code G.

Prohibited Transaction. Prohibited transactions as defined in IRC Sec. 4975(c) are reported on Form 1099-R using code 5.

Excess Contribution Removed Before the Excess Removal Deadline. Excess contributions removed before the excess removal deadline (your tax filing deadline, including extensions) must include the net income attributable to the excess.

- If your excess contribution was contributed and removed in the same year, before the excess removal deadline, the withdrawal is reported on Form 1099-R using code 8. If you are under age 59½ also use code 1.
- If your excess contribution was contributed in one year and removed in the next year, before the excess removal deadline, the withdrawal is reported on Form 1099-R using code P. If you are under age 59½ also use code 1.

Excess Contribution Removed After the Excess Removal Deadline. If your excess contribution is removed after the excess removal deadline, the withdrawal is reported on Form 1099-R using code 1 if you are under age 59½ or code 7 if you are age 59½ or older.

SEP or SIMPLE IRA Excess Contribution Removed Under the EPCRS. Excess SEP or SIMPLE IRA contributions removed under the Employee Plans Compliance Resolution System (EPCRS) generally are reported on Form 1099-R using code E.

Recharacterization. A Traditional IRA contribution including the net income attributable may be recharacterized as a Roth IRA contribution up until your tax filing deadline, including extensions.

- Recharacterizations that occur in the same year for which the contribution was made are reported on Form 1099-R using code N.
- Recharacterizations that occur after the year for which the contribution was made are reported on Form 1099-R using code R.

Revocation of a Regular Contribution. Revocations of regular contributions are reported on Form 1099-R using code 8. If you are under age 59½ and earnings on the contribution are distributed, also use code 1.

Revocation of Rollover, Transfer, or SEP or SIMPLE IRA Contribution. Revocations of rollovers, transfers, or SEP or SIMPLE IRA plan contributions are reported on Form 1099-R using code 1 if you are under age 59½ or code 7 if you are age 59½ or older.

STATE INCOME TAX WITHHOLDING GUIDE FOR IRA DISTRIBUTIONS

This guide provides general information about state withholding requirements for IRA distributions. This material is for informational purposes only and is not intended to provide a complete overview of state withholding rules and regulations, and may not reflect their application in every circumstance for all individuals. The information on this guide is obtained from state revenue authorities, and every effort has been made to ensure its accuracy. Because state tax laws are subject to constant change and interpretation, often without prior notice, this guide's content reflects information available as of its revision date only and its timeliness and accuracy cannot be guaranteed. The information provided on this guide should not be relied upon, and is not intended, as tax, legal, or accounting advice.

GENERAL RULES

In most cases, state withholding applies to state residents only.

Financial organizations are required to offer state withholding for states in which they have a presence. Financial organizations that conduct business in a state in which they do not have a physical presence should review the withholding regulations in those states to determine if they are also required to comply with those states' withholding requirements. If a state withholding election is not made and state withholding is required, state tax will be withheld. A state withholding election may be changed at any time and will apply to payments made after the change.

MANDATORY STATE WITHHOLDING

These states have mandatory withholding requirements, including states where withholding is voluntary for the IRA owner but becomes mandatory for the financial organization upon the IRA owner's election to have state withholding apply.

ARKANSAS. IRA distributions are subject to mandatory state withholding at 3.0% of the gross payment, unless the IRA owner elects no state withholding by providing the financial organization with a completed Form AR4P. The form may be obtained from the Arkansas Department of Finance and Administration.

CALIFORNIA. IRA distributions are subject to mandatory state withholding, unless the IRA owner elects no state withholding. California provides three withholding methods: (1) an amount determined using the California withholding schedules (see Form DE-4P); (2) a dollar amount designated by the IRA owner; (3) 10% of the amount of federal withholding. This form supports methods 2 and 3. To use method 1, if the financial organization can support the method, the IRA owner must furnish the financial organization with a completed Form DE-4P. The form may be obtained from the California Employment Development Department.

CONNECTICUT. Taxable lump-sum IRA distributions are subject to mandatory state withholding at 6.99% of the gross payment. Any other taxable distribution from an IRA is not unless the IRA owner furnishes the financial organization with a completed Form CT-W4P. The form may be obtained from the Connecticut Department of Revenue Services, and the state's definition of a lump-sum IRA distribution may be found on their website.

DELAWARE. State withholding is mandatory for IRA distributions that are subject to required federal withholding. A rate of 5.0% of the gross payment will apply by default. An IRA owner may elect state withholding at a rate of not less than 5% of the gross payment if they elect out of federal withholding.

DISTRICT OF COLUMBIA. Lump-sum IRA distributions (i.e., total distributions) are subject to mandatory state withholding at 10.75% of the gross payment, except for any after-tax amount in a lump-sum distribution or a trustee to trustee transfer between IRAs. Only nonresidents of DC (or those whose residential status is in question) may waive withholding by providing the financial organization with a completed Form D-4A. For more information, and to obtain Form D-4A, refer to the DC Office of Tax and Revenue.

GEORGIA. IRA distributions are subject to state withholding only when the IRA owner elects state withholding. Use the Georgia Department of Revenue bonus rate table that applies to bonus wages to determine what percentage to withhold. The IRA owner must calculate an amount to withhold based on this percentage and furnish the financial organization with a completed Form G-4P. The form and the bonus rate table may be obtained from the Georgia Department of Revenue.

INDIANA. IRA distributions are subject to state withholding only when the IRA owner requests state withholding and the financial organization is located in Indiana. The request for withholding must be made in writing using Form WH-4P. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment). Only whole dollar amounts may be withheld. The form may be obtained from the Indiana Department of Revenue.

IOWA. If the IRA owner does not qualify for the retirement income exclusion, IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment. Amount withheld must be at least \$10. The IRA owner must furnish the financial organization with a completed Form IA W-4P indicating their qualification for the retirement income exclusion or withholding election. For more information, and to obtain Form IA W-4P, refer to the Iowa Department of Revenue.

KANSAS. IRA distributions are subject to mandatory state withholding at 5.0% of the gross payment when federal income taxes are required to be withheld from the payment or if the IRA owner requests state withholding in writing. Withholding may not be waived unless federal withholding is not required.

MAINE. IRA distributions are subject to state withholding at 5.0% of the gross payment when federal income taxes are withheld from that payment. If an IRA owner opts out of federal withholding, they may request to have state tax withheld on Form W-4ME. The form may be obtained from Maine Revenue Services.

MARYLAND. IRA distributions are subject to state withholding only when the IRA owner elects state withholding. The IRA owner must furnish the financial organization with a completed Form MW507P indicating a whole dollar amount to withhold that is at least \$5 (per month). The form may be obtained from the Maryland Department of Revenue.

MASSACHUSETTS. IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment. If the total annual payment is more than \$1,083,150 for 2025 (subject to indexing), the financial organization should withhold the lesser of (1) 9% of the amount of the distribution or (2) 9% of the total amount in excess of \$1,083,150 for 2025 (subject to indexing) plus 5% of the amount that does not exceed \$1,083,150 for 2025 (subject to indexing). An IRA owner may opt out of state withholding if the distribution is excluded from taxation under Massachusetts law; the IRA owner must provide the financial organization with a completed Form M-4P. For more information, and to obtain Form M-4P, refer to the Massachusetts Department of Revenue.

MICHIGAN. Any taxable distribution from an IRA received by an IRA owner or beneficiary born after December 31, 1945, is subject to mandatory state withholding at 4.25% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form MI W-4P. Withholding also applies to any taxable distributions received by an IRA owner or beneficiary born before 1946 that exceeds certain income thresholds. Form MI W-4P may be obtained from the Michigan Department of Treasury.

MINNESOTA. IRA distributions are subject to mandatory state withholding of 6.25% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form W-4MNP indicating their election to not withhold Minnesota income tax or to elect a different withholding amount or percentage. The form may be obtained from the Minnesota Department of Revenue. (See Form W-4MNP instructions for important information about certain exceptions to state withholding and prior elections.)

MISSISSIPPI. IRA distributions that are federally defined as early or excess distributions are subject to mandatory state withholding. The Mississippi Withholding Income Tax Tables provide two withholding rates: 0% and 4.4%. The 4.4% rate applies if state withholding applies, unless the IRA owner qualifies for the 0% rate. The IRA owner must furnish the financial organization with a completed Form 89-350 to apply the 0% rate. Any amount withheld must be rounded to the nearest whole dollar. The form and tax tables may be obtained from the Mississippi Department of Revenue.

MISSOURI. IRA distributions are subject to state withholding only when an IRA owner elects state withholding and specifies a dollar amount on Form MO W-4P. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment). The form may be obtained from the Missouri Department of Revenue.

MONTANA. IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if it would result in a net payment of less than \$10. IRA owners must furnish the financial organization with a completed Form MW-4. The form may be obtained from the Montana Department of Revenue.

NEBRASKA. IRA distributions are subject to state withholding at 5% of the gross payment if federal income taxes are withheld from the payment and the payment is not a premature distribution. If an IRA owner opts out of federal withholding, they may request to have additional state tax withheld by completing Form W-4N. For more information, and to obtain Form W-4N, refer to the Nebraska Department of Revenue.

NEW JERSEY. IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. The IRA owner must specify an even dollar amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment). IRA owners must furnish the financial organization with Form MW-4 specifying their withholding election. The form may be obtained from the New Jersey Division of Taxation.

NEW MEXICO. IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment).

NORTH CAROLINA. IRA distributions are subject to state withholding at 4.0% of the gross payment when federal income taxes are withheld from the payment, unless the IRA owner elects to waive state withholding. IRA owners must furnish the financial organization with a completed Form NC-4P specifying their withholding election. An election must be made on Form NC-4P on a distribution-by-distribution basis. The form may be obtained from the North Carolina Department of Revenue.

OKLAHOMA. IRA distributions are subject to state withholding at 4.75% of the gross payment when federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing. IRA owners must furnish the financial organization with a completed Form OK-W-4-R specifying their withholding election. The form may be obtained from the Oklahoma Tax Commission.

OREGON. IRA distributions are subject to mandatory state withholding at 8.0% of the gross payment when federal income taxes are withheld from the payment, unless the IRA owner elects no state withholding by furnishing the financial organization with a completed Form OR-W-4. Amount withheld must be at least \$10. The form may be obtained from the Oregon Department of Revenue.

UTAH. IRA distributions are subject to state withholding at 4.55% only when the IRA owner elects state withholding. For more information, refer to the Utah State Tax Commission Publication 14, Withholding Tax Guide – Utah Withholding Information and Tax Tables.

VERMONT. IRA distributions are subject to mandatory state withholding at 30% of the IRA owner's federal withholding election of the gross payment when federal income taxes are withheld from the payment. The IRA owner may opt out of state withholding, in writing, for distributions where federal withholding is not required, but is elected.

WISCONSIN. IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$5 (per payment).

NO STATE WITHHOLDING

State withholding is not applicable in the following states.

- Alaska
- Florida
- Hawaii
- Nevada
- New Hampshire
- South Dakota
- Tennessee
- Texas
- Washington
- Wyoming

VOLUNTARY STATE WITHHOLDING

IRA trustees and custodians may offer but are not required to withhold on a state withholding election for the following states.

- Alabama
- Arizona
- Colorado
- Idaho
- Illinois
- Kentucky
- Louisiana
- North Dakota
- New York
- Ohio
- Pennsylvania
- Rhode Island
- South Carolina
- Virginia
- West Virginia

STATE TAX WITHHOLDING INFORMATION SHEET

This general information is provided to help you understand state income tax withholding requirements for Individual Retirement Account distributions. While Axos Clearing LLC makes every effort to obtain information about state tax laws from sources believed to be reliable, Axos Clearing LLC cannot guarantee the accuracy or timeliness of state tax withholding information because state tax laws are subject to constant change and interpretation. Moreover, Axos Clearing LLC does not provide tax or other advice. We therefore recommend that you contact your tax advisor regarding your tax withholding elections and answer any questions that you may have regarding your state's withholding laws.

STATE OF RESIDENCY	STATE INCOME TAX WITHHOLDING
AK, FL, HI, NH, NV, SD, TN, TX, WA, WY	State income tax withholding is not permitted.
AL, AZ, CO, GA, ID, IL, IN*, KY, LA, MD*, MO, MS*, MT, ND, NJ*, NM, NY, OH, PA, RI, SC, UT*, VA, WI, WV	State income tax withholding is voluntary. We will withhold state income tax only if you instruct us to do so. You must indicate the amount to withhold. <ul style="list-style-type: none"> • IN, MD and NJ - Amounts must be in whole dollars. • MS - 4.4% required if distribution is Premature or Removal of Excess. Round amount to nearest whole dollar. Not required if a Form 89-350 is provided. • PA - If you choose to withhold, it must be at 3.07%. • UT - If you choose to withhold, it must be at 4.55%
AR, IA, MI, MN, OR, VT	State income tax withholding is mandatory unless the individual elects to waive state income tax withholding (i.e., required unless waived) <i>If federal tax is required, we will withhold the following unless you indicated otherwise:</i> <ul style="list-style-type: none"> • AR – 3% of gross distribution - unless a Form AR4P is provided. • IA – 5% of gross distribution - unless an IA W-4P is provided. • MI – 4.25% of gross distribution - unless a MI W-4P is provided. • MN – 6.25% of gross distribution - unless a Form W-4MNP is provided. • OR – 8% of gross distribution - unless a OR-W4 is provided. • VT – 30% of federal withholding election.
CA, DE, NC	State income tax withholding is mandatory if the individual did not waive federal withholding, unless the individual waives state income tax withholding (i.e., required with federal withholding unless waived): <ul style="list-style-type: none"> • CA – 10% of federal withholding election • DE – 5% of gross distribution • NC – 4% of gross distribution – unless a NC-4P is provided.
KS, ME, MA, NE, OK	State income tax withholding is mandatory if the individual did not waive federal withholding (i.e., required with federal withholding): <i>If federal tax is withheld, you cannot opt out of state withholding. We will withhold as indicated:</i> <ul style="list-style-type: none"> • KS – 5% of gross distribution. • ME – 5% of gross distribution. • MA – 5% of gross distribution. • NE – 5% of gross distribution - Not required if distribution is Premature. • OK – 4.75% of gross distribution.
State Income Tax Withholding	
CT, DC	Mandatory whether or not federal income tax is withheld. <ul style="list-style-type: none"> • CT – 6.99% of gross distribution - unless a CT-W4P is provided. • DC – 10.75% of Total distributions (gross) - Not applicable to direct rollovers.
MI	Required unless you certify that your distribution is not taxable because you were born before 1946 or you believe you will not have a balance due on your Michigan Individual Income Tax Return, Form MI-1040. 4.25% of taxable distribution.
Note 1:	The above applies to residents of each respective state. Special rules apply if you live in a foreign country, are not a U.S. Citizen, or are a non-resident alien.
Note 2:	The above is provided as a guideline only and is not advice regarding withholding. State law is subject to change and Axos Clearing LLC is not responsible for changes in state law that may affect the accuracy of the above. Please contact your tax advisor before making an election regarding state withholding.