



# Qualified Plans — Required Minimum Distributions

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## What is a required minimum distribution (RMD)?

The primary goal of financial planning is to make sure you'll have enough resources for big life events, such as retirement. After a lifetime of saving, many people are hesitant to tap into their accumulated assets until absolutely necessary.

But when you're retired and reach age 73, IRS rules state that you must generally begin taking RMD payments from your company's profit-sharing or money purchase plan. If you are a sole proprietor or own more than 5% of the business, you must begin taking your distributions when you reach RMD age, even if you haven't retired.

The RMD is calculated each year according to IRS guidelines. If you take only the RMD, the remaining part of your account balance can continue growing tax-deferred. You can always take more than the minimum — however, not taking the RMD may result in a hefty penalty.

Read the following FAQs about RMDs for additional important information.

# FAQs about RMDs

## 1. When do I need to start taking my RMDs?

You must generally begin taking payments by April 1 of the year after you reach age 73 or the year in which you retire, whichever is later. However, if you own more than 5% of the business, you must take payments by April 1 of the year after you reach age 73, even if you haven't retired.

## 2. What is the deadline for taking my annual RMD?

You must take your RMD by December 31 each year. For your first distribution (and only your first), you get a 3-month extension until April 1 of the following year. However, if you wait until after December 31 to take your first RMD, you'll need to take two RMDs in the same year (the second one by December 31). You may want to compare the benefit of leaving the money in the account for as long as possible with the tax consequences of taking two distributions in one year.

## 3. How is my RMD calculated?

Unless your RMD is paid in the form of an annuity, the required minimum distribution is the prior year's December 31 balance divided by a distribution period factor from the IRS Uniform Lifetime Table. A separate Joint Life and Last Survivor Expectancy table is used if your spouse is your sole beneficiary and he or she is more than 10 years your junior. You can find the life expectancy tables in IRS Publication 590-B on [www.irs.gov](http://www.irs.gov). You may also call the IRS at (800) 829-3676.

## 4. Can I still use the Joint Life and Last Survivor Expectancy Table if my marital status changes?

Yes. Generally, you may still calculate your RMD using your joint life expectancy in the year of your divorce or in the year of your spouse's death. In either case, you must use the IRS Uniform Lifetime Table in the following year.

## 5. If I have balances in multiple retirement plans, do I need to take an RMD from each plan?

Yes. If you participate in more than one qualified plan (such as a profit-sharing or money purchase plan), you must request a separate RMD from each individual plan. RMDs cannot be combined.

## 6. Will American Funds calculate my RMD for me each year?

Yes. When you complete the attached RMD form and check the **Calculation by American Funds** box, American Funds will calculate your RMDs using the IRS Uniform Lifetime Table or, if applicable, the IRS Joint Life and Last Survivor Expectancy Table. To ensure we have your spousal beneficiary's correct date of birth, if applicable, enter the date on the attached RMD form. Your RMD will be calculated and taken proportionately from each American Funds investment in your account.

Please send your completed RMD form to the appropriate address as shown at the end of the form.

## What happens if I don't take my RMD?

If you don't withdraw the RMD amount each year, the IRS may penalize you with a 25% tax on any amount that should have been withdrawn but wasn't. For instance, if your RMD is \$3,000 and you withdraw only \$2,000, the IRS will assess a penalty of \$250 (25% of the \$1,000 shortfall).

Continued on next page

# FAQs about RMDs (continued)

## 7. Am I able to calculate my own RMD?

You may calculate your own RMD this year and each subsequent year if:

- you prefer to perform the calculation yourself
- you want to take out an amount different from your current RMD
- you don't want the distribution taken proportionately from each fund in your account (you prefer to designate an exact dollar amount for withdrawal from each fund)

If you want to calculate your own RMD, notify American Funds by checking the **Calculation by participant** box on the RMD form. **If you elect this option, you must submit a new request annually in order for a payment to be made to you.**

## 8. Are RMDs subject to income tax withholding?

Yes. Federal income tax withholding applies at the rate of 10% unless you elect another rate or no withholding. Certain states also require withholding.

## 9. Can I reinvest my RMDs?

Yes. You'll owe any income tax due on the distributions when you take them, and you cannot roll the RMDs into another retirement plan or IRA, but you can reinvest the money in an American Funds non-retirement account. If you have questions or require more information, contact your financial professional or call us at **(800) 421-4225**.

## What do I need to do now?

To begin withdrawing the RMD from your American Funds profit-sharing or money purchase plan, complete and return the attached *Qualified Plans — Required Minimum Distribution Request*. If you've already requested your RMD, you don't have to do anything.



Consult your financial professional and tax advisor before completing this form to withdraw money from your profit-sharing or money purchase plan. You may need your account statement to help you complete this section. **If you participate in more than one qualified plan, you must submit a separate request for each plan.**

## 1 Participant information

First name of participant \_\_\_\_\_ MI \_\_\_\_\_ Last \_\_\_\_\_ Account number or plan ID \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Email address\* \_\_\_\_\_ ( ) \_\_\_\_\_ Daytime phone \_\_\_\_\_

**Citizenship:** ☐ U.S. citizen ☐ U.S. resident alien ☐ Nonresident alien (Submit an IRS Form W-8BEN.)

**Type of plan** (check the appropriate box):

- ☐ Money purchase plan (MPP) — Spousal consent is required in Section 7.
- ☐ Profit-sharing plan (PSP) (**with** annuity option) — Spousal consent is required in Section 7.
- ☐ Profit-sharing plan (PSP) (**without** annuity option)

**Marital status:** ☐ Married ☐ Single

\*Your privacy is important to us. For information on our privacy policies, visit [www.capitalgroup.com](http://www.capitalgroup.com).

## 2 RMD calculation

Check either **A** or **B** and complete as necessary. If **B** is selected, American Funds requires that a new request be submitted each year.

**A.** ☐ **Calculation by American Funds** (taken proportionately from each fund in your account) — American Funds will calculate your RMD each year by using the IRS Uniform Lifetime Table unless you qualify for the spousal exception (see question 3 on page 2)

and provide your spouse's date of birth \_\_\_\_\_  
(mm/dd/yyyy)

**Frequency:** If no date is provided, the first distribution will begin on the next available business day.

All distributions will occur **annually** unless otherwise indicated: ☐ Monthly ☐ Quarterly ☐ Semiannually

Make the first distribution in (month) \_\_\_\_\_ (year) \_\_\_\_\_

Make distributions on (insert a date between the 6th and 28th) \_\_\_\_\_

• **Proceed to Section 3.**



## 2 RMD calculation

(continued)

- B. ☐ **One-time calculation by participant** — I will calculate my RMD amount each year and notify American Funds in writing of how much I would like to take from my account. This year only, I would like to withdraw the following amount(s) from the fund(s) indicated.

**Note:** If you need to request a withdrawal of more than the required amount, call (800) 421-4225 to obtain the appropriate distribution form. For fund names and numbers, review your statement or access your account at [www.capitalgroup.com](http://www.capitalgroup.com).

Fund name or number	Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

## 3 Payment options

Check one of the following four options. For fund names and numbers, review your statement or access your account at [www.capitalgroup.com](http://www.capitalgroup.com).

- A. ☐ Reinvest in my existing American Funds non-retirement account, \_\_\_\_\_, using the investment instructions below.  
Account number
1. ☐ Reinvest shares in kind. (Shares will be moved from this account to the receiving account within the same fund(s) and share class.)
2. ☐ I have attached a separate letter of instruction that specifies how shares should be invested in the receiving account.
- Note:** If no instructions are provided, shares will be reinvested in kind.
- B. ☐ Reinvest in a new American Funds non-retirement account. (Contact your financial professional for an account application.)
- ☐ Check here to reinvest shares in kind. (Shares will be moved from this account to the receiving account with the same fund(s) and class.) Leave the investment instructions of the application blank or write "in kind."
- C. ☐ Electronically deposit the distributions into my bank account. (Provide bank information in Section 4. Payments will be delivered to your bank account within three (3) business days following each distribution.)
- D. ☐ Send a check. This option is available ONLY for a one-time distribution.

\_\_\_\_\_  
Address (if different) City State ZIP



## 4 Bank information — Complete if requesting electronic deposit of distributions

Attach an unsigned, voided check below. The check you attach **must** be preprinted with the bank name, registration, routing number and account number. **Please do not staple.**

Tape your check here.

John Doe

Bank account registration

DATE \_\_\_\_\_

PAY TO THE  
ORDER OF \_\_\_\_\_

\$

\_\_\_\_\_ DOLLARS

Anytown Bank

← Bank name

| : 99999999 | :

Bank routing number

0000000000 | | :

Bank account number

**Note:** In lieu of a voided check, you may submit a letter from your bank providing the registration, routing number, account number and account type (checking or savings). The letter must be on the bank's letterhead.

## 5 Federal income tax withholding

If you are a nonresident alien (NRA), 30% NRA withholding may apply to the distribution.

Federal law requires us to withhold income tax equal to 10% of the distribution **unless** you elect otherwise using the check boxes below. **Taxes are withheld from the total amount requested.** Refer to IRS Form W-4R for additional information. Insufficient withholding or underpayment of estimated taxes may result in IRS penalties.

☐ **DO NOT** withhold federal taxes. Your U.S. residence address is required to honor this request (**no P.O. boxes**).

Residence address (physical address required — **no P.O. boxes**) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

☐ Withhold federal taxes from the total distribution at the rate of \_\_\_\_\_% (Whole % only).<sup>\*</sup> If you are withholding less than 10%, you must enter a U.S. residence address above (**no P.O. boxes**).

<sup>\*</sup>Rates that include decimals will be rounded to the nearest whole number.

## 6 State income tax withholding

If your state requires withholding or if the amount you enter below is less than the minimum for your state, Capital Bank and Trust Company (CB&T) will withhold at least the minimum state tax. CB&T does not withhold taxes for all states.

☐ **DO NOT** withhold    ☐ Withhold \_\_\_\_\_%    **OR**    \$ \_\_\_\_\_

**Note:** To review the impacts of withholding for your state of residence, visit [www.capitalgroup.com/statetax](http://www.capitalgroup.com/statetax) or speak with your tax advisor.



## 7 Explanation of joint and survivor annuity and spousal consent

**This applies to participants enrolled in profit-sharing plans (with annuity option) or money purchase plans.**

Unless you elect otherwise, your retirement plan benefit will be paid to you in the form of a Qualified Joint and Survivor Annuity (QJSA) when you terminate employment or retire. Under a QJSA, you will receive a lifetime income.

If you are married, and your spouse dies before you, or if you are not married, annuity payments will cease at your death. If you are married and your spouse survives you, reduced payments will continue until your spouse's death. This means that the monthly payments you and your spouse receive will be less than the monthly payments you would have received if payments were made only during your lifetime. The value of all annuity installments paid to you or to your surviving spouse will be the annuity that can be purchased with the amount in your account when your distribution is made.

You may choose not to receive an annuity form of benefit by electing to receive one of the other forms of distribution permitted by the plan. You will be given this opportunity during the 180-day period ending on the date your distribution begins. If you are married and do not want to receive the QJSA, you must first obtain the consent of your spouse in writing. Your spouse has the right not to consent.

If you elect out of the annuity form of benefit, you and, if you are married, your spouse will no longer receive a guaranteed level of benefits over your lifetime. Depending on the form of distribution you do select, your spouse may receive no benefit at all in the event of your death. Any election that you make during the 180-day period may be revoked at any time before you begin to receive payments. If you want to change your election, please promptly notify the plan administrator.

**Spousal consent to waiver of annuity: Not required for profit-sharing plans (without annuity option) as described in Section 6.5 of the plan — profit-sharing plan**

I understand that I have the right to have the plan pay my spouse's retirement benefits in a QJSA payment form and that by signing this consent, I agree to give up that right. I hereby consent to the distribution choice my spouse has made on this form on this date. I understand that, because my spouse has waived the QJSA by electing another distribution option, my spouse and I will not receive a guaranteed level of benefits over our lifetimes that would otherwise be required under the terms of the plan. I have given this consent knowingly and voluntarily. My consent is not a result of coercion, undue influence or duress.

<b>X</b>	<b>/</b>	<b>/</b>
_____ Name of spouse (print)	_____ Signature of spouse	_____ Date (mm/dd/yyyy)

Signature must be witnessed in the space below by a plan representative appointed by the employer or by a notary public.

Sworn to and subscribed before me, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_  
Month Year

in the County of \_\_\_\_\_, State of \_\_\_\_\_

<b>X</b>	<b>/</b>	<b>/</b>
_____ Signature of plan representative or notary public	_____ Date commission expires (mm/dd/yyyy)	

**This document may not be signed using Adobe Acrobat Reader's "fill and sign" feature.**

**NOTARY:** Affix seal here.

**Original signatures are required. This document cannot be submitted electronically, faxed or photocopied.**



## 8 Participant authorization

## 9 Employer authorization and signature guarantee



**Review this agreement if you provided bank information.**

Electronic bank verification is conducted through a third party service provider that is unaffiliated with American Funds Service Company (AFS) and Capital Bank and Trust Company (CB&T). If you choose to add a bank account electronically, you must agree to the Bank Verification Terms & Conditions of Use set forth below. The Fund or the Fund's transfer agent will send your information to the third party service provider, who will then compare your information with their database to verify the information you provided. Please read and agree to the Bank Verification Terms & Conditions of Use for the third party service in order to continue.

**Agreement and Bank Verification Terms & Conditions of Use of the Service**

I (we) authorize the Fund and its agents to act upon instructions (by phone, in writing, online or by other means) believed to be genuine and in accordance with procedures described in the prospectus (if applicable) for this designated bank account. I (we) authorize credits/debits to/from the bank account designated in conjunction with the account option(s) selected. I (we) agree that AFS and/or CB&T shall be fully protected in honoring any such transaction. I (we) also agree that AFS and/or CB&T may make additional attempts to credit/debit my (our) account if the initial attempt fails and I (we) will be liable for any associated costs. All account options elected will become part of the account and terms, representations, and conditions thereof.

**Provide Accurate Information.** I (we), the end user, agree to provide true, accurate, current and complete information about myself (ourselves) and my (our) accounts maintained at other web sites and I (we) agree to not misrepresent my (our) identity or my (our) account information. I (we) agree to keep my (our) account information up to date and accurate.

**Proprietary Rights.** I (we) are permitted to use content delivered to me (us) through the service only on the service. I (we) may not copy, reproduce, distribute, or create derivative works from this content. Further, I (we) agree not to reverse engineer or reverse compile any of the service technology, including but not limited to, any Java applets associated with the service.

**Content You Provide.** I (we) are licensing to AFS and/or CB&T ("Company") and its service providers ("Service Provider") any information, data, materials or other content (collectively, "Content") I (we) provide through or to the service. Company and Service Provider may use, modify, display, distribute and create new material using such Content to provide the service to you. By submitting Content, I (we) automatically agree, or promise that the owner of such Content has expressly agreed that, without any particular time limit, and without the payment of any fees, Company and Service Provider may use the Content for the purposes set out above. I (we) agree that, as between Company and Service Provider, Company owns your confidential account information.

**Third Party Accounts.** By using the service, I (we) authorize Company and Service Provider to access third party sites designated by Company, on my (our) behalf, to retrieve information requested by me (us), and to register for accounts requested by me (us). For all purposes hereof, I (we) hereby grant Company and Service Provider a limited power of attorney, and I (we) hereby appoint Company and Service Provider as my (our) true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for me (us) and in my (our) name, place and stead, in any and all capacities, to access third party internet sites, servers or documents, retrieve information, and use your information, all as described above, with the full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection with such activities, as fully to all intents and purposes as you might or could do in person. I (WE) ACKNOWLEDGE AND AGREE THAT WHEN COMPANY OR SERVICE PROVIDER ACCESSES AND RETRIEVES INFORMATION FROM THIRD PARTY SITES, COMPANY AND SERVICE PROVIDER ARE ACTING AS MY (OUR) AGENT, AND NOT THE AGENT OR ON BEHALF OF THE THIRD PARTY. I (we) agree that third party account providers shall be entitled to rely on the foregoing authorization, agency and power of attorney granted by me (us). I (we) understand and agree that the service is not endorsed or sponsored by any third party account providers accessible through the service.

**DISCLAIMER OF WARRANTIES.** I (WE) EXPRESSLY UNDERSTAND AND AGREE THAT: MY (OUR) USE OF THE SERVICE AND ALL INFORMATION, PRODUCTS AND OTHER CONTENT (INCLUDING THAT OF THIRD PARTIES) INCLUDED IN OR ACCESSIBLE FROM THE SERVICE IS AT MY (OUR) SOLE RISK. THE SERVICE IS PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS. COMPANY AND SERVICE PROVIDER EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND AS TO THE SERVICE AND ALL INFORMATION, PRODUCTS AND OTHER CONTENT (INCLUDING THAT OF THIRD PARTIES) INCLUDED IN OR ACCESSIBLE FROM THE SERVICE, WHETHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. COMPANY AND SERVICE PROVIDER MAKE NO WARRANTY THAT (i) THE SERVICE WILL MEET MY (OUR) REQUIREMENTS, (ii) THE SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR-FREE, (iii) THE RESULTS THAT MAY BE OBTAINED FROM THE USE OF THE SERVICE WILL BE ACCURATE OR RELIABLE, (iv) THE QUALITY OF ANY PRODUCTS, SERVICES, INFORMATION, OR OTHER MATERIAL PURCHASED OR OBTAINED BY ME (US) THROUGH THE SERVICE WILL MEET MY (OUR) EXPECTATIONS, OR (v) ANY ERRORS IN THE TECHNOLOGY WILL BE CORRECTED. ANY MATERIAL DOWNLOADED OR OTHERWISE OBTAINED THROUGH THE USE OF THE SERVICE IS DONE AT MY (OUR) OWN DISCRETION AND RISK AND I (WE) ARE SOLELY RESPONSIBLE FOR ANY DAMAGE TO MY (OUR) COMPUTER SYSTEM OR LOSS OF DATA THAT RESULTS FROM THE DOWNLOAD OF ANY SUCH MATERIAL. NO ADVICE OR INFORMATION, WHETHER ORAL OR WRITTEN, OBTAINED BY ME (US) FROM COMPANY OR SERVICE PROVIDER THROUGH OR FROM THE SERVICE WILL CREATE ANY WARRANTY NOT EXPRESSLY STATED IN THESE TERMS.

**LIMITATION OF LIABILITY.** I (WE) AGREE THAT NEITHER COMPANY, ITS INVESTMENT MANAGER, OR SERVICE PROVIDER NOR ANY OF THEIR EMPLOYEES, OFFICERS, TRUSTEES, DIRECTORS, AFFILIATES, ACCOUNT PROVIDERS OR ANY OF THEIR AFFILIATES WILL BE LIABLE FOR ANY HARMS, WHICH LAWYERS AND COURTS OFTEN CALL DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, GOODWILL, USE, DATA OR OTHER INTANGIBLE LOSSES, EVEN IF COMPANY OR SERVICE PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, RESULTING FROM: (i) THE USE OR THE INABILITY TO USE THE SERVICE; (ii) THE COST OF GETTING SUBSTITUTE GOODS AND SERVICES, (iii) ANY PRODUCTS, DATA, INFORMATION OR SERVICES PURCHASED OR OBTAINED OR MESSAGES RECEIVED OR TRANSACTIONS ENTERED INTO, THROUGH OR FROM THE SERVICE; (iv) UNAUTHORIZED ACCESS TO OR ALTERATION OF YOUR TRANSMISSIONS OR DATA; (v) STATEMENTS OR CONDUCT OF ANYONE ON THE SERVICE; (vi) THE USE, INABILITY TO USE, UNAUTHORIZED USE, PERFORMANCE OR NON-PERFORMANCE OF ANY THIRD PARTY ACCOUNT PROVIDER SITE, EVEN IF THE PROVIDER HAS BEEN ADVISED PREVIOUSLY OF THE POSSIBILITY OF SUCH DAMAGES; OR (vii) ANY OTHER MATTER RELATING TO THE SERVICE.

**Indemnification.** I (we) agree to protect and fully compensate Company, its investment manager, and Service Provider and their employees, officers, trustees, directors, and affiliates from any and all third party claims, liability, damages, expenses and costs (including, but not limited to, reasonable fees) caused by or arising from my (our) use of the service, my (our) violation of these terms or my (our) infringement, or infringement by any other user of my (our) account, of any intellectual property or other right of anyone. I (we) agree that the Company's investment manager and Service Provider are each a third party beneficiary of the above provisions, with all rights to enforce such provisions as if the investment manager or Service Provider were a party to this Agreement.

Form

**W-4R**

Department of the Treasury  
Internal Revenue Service

Withholding Certificate for Nonperiodic Payments and  
Eligible Rollover Distributions

Give Form W-4R to the payer of your retirement payments.

OMB No. 1545-0074

2025

1a First name and middle initial

Last name

1b Social security number

Address

City or town, state, and ZIP code

DO NOT COMPLETE OR RETURN.  
THIS FORM IS FOR REFERENCE ONLY.

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.

2 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)

2

%

Sign Here

Your signature (This form is not valid unless you sign it.)

Date

## 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.

## 2025 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%
15,000	10%	30,000	10%	22,500	10%
26,925	12%	53,850	12%	39,500	12%
63,475	22%	126,950	22%	87,350	22%
118,350	24%	236,700	24%	125,850	24%
212,300	32%	424,600	32%	219,800	32%
265,525	35%	531,050	35%	273,000	35%
641,350*	37%	781,600	37%	648,850	37%

\* If married filing separately, use \$390,800 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 2025, 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;
- 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 \$65,000 without the payment. Step 1: Because your total income without the payment, \$65,000, is greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$85,000, is greater than \$63,475 but less than \$118,350, 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 \$61,000 without the payment. Step 1: Because your total income without the payment, \$61,000, is greater than \$26,925 but less than \$63,475, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$81,000, is

greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. The two rates differ. \$2,475 of the \$20,000 payment is in the lower bracket (\$63,475 less your total income of \$61,000 without the payment), and \$17,525 is in the higher bracket (\$20,000 less the \$2,475 that is in the lower bracket). Multiply \$2,475 by 12% to get \$297. Multiply \$17,525 by 22% to get \$3,856. The sum of these two amounts is \$4,153. This is the estimated tax on your payment. This amount corresponds to 21% of the \$20,000 payment (\$4,153 divided by \$20,000). Enter "21" on line 2.

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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.

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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.