FRANKLIN TEMPLETON

Retirement Plan Notification of Excess/Ineligible Contributions

IMPORTANT INFORMATION:

- Use this form to request removal of excess contribution to any account for which Fiduciary Trust International of the South ("FTIOS") serves as custodian or trustee. Complete a separate form if distributing from different plan types.
- Do not use this form for other distributions or recharacterizations. Go to franklintempleton.com for additional resources and forms.
- Please read the Excess Contribution Guide beginning on page 5 before completing this form.

If completing by hand, please print clearly in CAPITAL LETTERS using blue or black ink.

If applicable, provide any Franklin Templeton REFERENCE ID(S) related to your request:

1 ACCOUNT OWNER INFORMATION

First name | M.I. | Last name | Suffix | Last four digits of SSN

Email address[1] | Primary phone number ( ) | Alternate phone number ( )

2 ACCOUNT INFORMATION

Fund-account number(s)

SELECT ONLY ONE type of plan below.

☐ TRADITIONAL IRA ☐ ROLLOVER IRA ☐ COVERDELL ESA ☐ ROTH/ROTH CONVERSION IRA ☐ SEP IRA
☐ SARSEP IRA ☐ SIMPLE IRA

3 NOTIFICATION OF EXCESS

3A FOR ALL PLAN TYPES

Amount of excess contribution: $ | Tax year for which contribution was made: 2 0

Please indicate where the excess contribution was originally made:

☐ To the Franklin Templeton account referenced in Section 2
☐ To another account

Account name | Enter the *value of the excess* at the time it was transferred or rolled over to your above-referenced retirement plan.

3B INDICATE THE ACCOUNT(S) FROM WHICH THE EXCESS CONTRIBUTION AND EARNINGS (IF APPLICABLE) SHOULD BE REMOVED

Select one of the following:

☐ Remove the excess from the following fund-account:
☐ Remove the excess pro rata from the fund-account numbers(s) in Section 2
☐ Remove the excess evenly from the fund-account numbers(s) in Section 2
☐ Remove the excess using the following allocation percentages:

Fund-account number	Percentage	Fund-account number	Percentage
	%		%
	%		%

3C ADDITIONAL INFORMATION REQUIRED FOR SIMPLE IRA AND SARSEP IRA PLANS ONLY

Please indicate if excess contribution represents: (choose one)

☐ Employee salary deferral(s)
☐ Employer contribution(s)

1. If you currently receive any electronic communications/documents from Franklin Templeton, future communications/documents will be sent to the email address provided on this form, replacing any prior email address on file.

4 ALLOCATION INSTRUCTIONS

APPLY EXCESS CONTRIBUTION AS CONTRIBUTION FOR NEXT TAX YEAR (available starting in January of next calendar year)

☐ Apply excess contribution to tax year 2 0 ☐ ☐ and refund earnings (if applicable)[2]

☐ Apply excess contribution AND earnings to tax year 2 0 ☐ ☐ [2]

REMOVE EXCESS AND EARNINGS (if applicable)

☐ Refund to Owner or Participant

☐ Refund to Employer[3]

5 EMPLOYER'S CERTIFICATION

REQUIRED FOR SEP IRAs, SARSEP IRAs, AND SIMPLE IRA IF FUNDS WILL BE RETURNED TO THE EMPLOYER.

I certify that an excess contribution has been made to the above-referenced plan.

SIGNATURE OF PLAN EMPLOYER OR AUTHORIZED THIRD-PARTY ADMINISTRATOR

X _____ Date _____

Title _____ Name of business _____

6 BANK INFORMATION/ELECTRONIC SERVICES AUTHORIZATION

If you would like your excess/ineligible contribution to be sent to a bank account, please select one of the options below. **NOTE: Requests to send proceeds electronically within 15 days of establishing or changing bank instructions must be signature guaranteed, otherwise your proceeds will be sent by check to your address of record.**

☐ 1. **Use the Existing Bank Account.** Send the proceeds to the bank account currently linked to your Franklin Templeton account.

☐ 2. **Add a New Bank Account.** Send the proceeds to the new bank account provided below and establish/change electronic transfers to or from the new bank account. Only one bank account can be linked to your Franklin Templeton account(s) for purchases and redemptions. **NOTE:** If you previously declined the Telephone Redemption Privilege but would like Telephone Purchases, you understand and agree that Telephone Purchases and Telephone Redemptions via electronic funds transfers between your Franklin Templeton account(s) and your linked bank account are operationally connected. If you select this option, you authorize all electronic services on your account(s) and these bank instructions will be established for purchases, automatic investment plan transfers, redemptions and any pre-established systematic withdrawals or dividend/capital gain payments.

☐ 3. **Add a New Bank Account for This One-Time Requested Distribution Only.** Send the proceeds to the bank account provided below and ***DO NOT*** retain this bank account for additional use.

If you've selected either option 2 or 3 above, please review and provide the information below:

- Any bank account owner who is not an owner of the Franklin Templeton fund account must sign in Section 9 and you, as the Franklin Templeton fund account owner, must also sign in Section 9.
- If the Franklin Templeton fund account and the bank account DO NOT include at least one common owner, you and all of the bank account owners must have your signatures guaranteed in Section 9.
- No checks? Include a preprinted savings account deposit slip or letter from your bank, on its letterhead and signed by an officer. The deposit slip or letter must include the bank account registration, account number, account type and bank routing number. Do not staple to the form. Handwritten information on the savings deposit slip or bank letterhead is not acceptable.

Select one of the following options:

☐ Use my enclosed letter from my bank.

☐ Use my enclosed preprinted voided check.

☐ Use my enclosed preprinted checking deposit slip.

☐ Use my enclosed preprinted savings deposit slip.

Bank routing number (9 digits) _____ Bank account number _____

7 PAYMENT OPTIONS

If you are refunding excess contributions/earnings or reinvesting into another account, complete one option below.

☐ Deposit into an existing non-retirement Franklin Templeton account:

Fund-account number _____

If you do not have an existing Franklin Templeton non-retirement account, please attach a completed *Account Application*.

☐ Send money to my bank account via electronic transfer (complete Section 6).

☐ Send check(s) to the address of record.

☐ Send check(s) to a new address of record. A signature guarantee is required. See Section 9.

Address _____ City _____ State _____ ZIP _____

☐ Send check(s) to an alternate payee/an alternate address. (A signature guarantee is required. See Section 9.)

Payee _____ Address _____ City _____ State _____ ZIP _____

2. This option is not available for SIMPLE or SARSEP IRA excess salary deferrals.

3. Employer's Certification is required if excess contributions will be returned to the employer.

(continued)

8 WITHHOLDING ELECTION

You MUST make a withholding election below (unless your distribution is from a Roth IRA or a rollover to an eligible retirement plan).

- **If no election is made,** federal taxes will be withheld at a rate of 10% and, when applicable, the minimum required state taxes will be withheld *(see additional bullets for more state tax details).*
- You are responsible for paying any tax due on the taxable portion of your distribution, regardless of your withholding election.
- You may be subject to penalty taxes if federal and state taxes are due and either your estimated tax payments or the amount of tax you have withheld is insufficient under IRS rules or your state's rules.
- You are responsible for reviewing the sample Form W-4R and the marginal rate tables on page 7 to ensure you are requesting the appropriate amount of federal withholding from your distribution.
- Your state of residence will determine your state income tax withholding requirements, if any.
- Those states with mandatory withholding may require state income tax to be withheld from payments if federal income taxes are withheld or may mandate state tax withholding regardless of your federal tax election.
- Although states with voluntary withholding allow individuals to elect to withhold state tax, we can only accommodate voluntary state tax withholding for residents of Delaware, Indiana, Missouri, Montana, New Jersey, New Mexico, Utah and Virginia (IRA Only).
- Some states have no income tax on retirement payments.
- **Arkansas, Michigan, Minnesota, North Carolina, and Oregon:** State tax will be withheld at the state required minimum. To make a different withholding election, you **MUST** complete and attach your state-specific withholding form.
- **Maryland and Montana:** To make a state tax withholding election, you **MUST** complete and attach your state-specific withholding form.
- **Please consult with a tax advisor or your state's tax authority for additional information on your state requirements.**

FEDERAL TAX WITHHOLDING

Review the sample Form W-4R on page 7 to determine the correct amount of federal withholding to request from your distribution. Once the withholding amount is determined, use the below options to opt in or out of federal withholding.

1. ☐ Withhold **NO** federal tax on my distribution.
2. ☐ Withhold federal taxes from my distribution at the rate of _____ % (minimum 1%).

NOTE: Enter the withholding rate as a whole number. Do not use decimals.

STATE TAX WITHHOLDING

1. ☐ Withhold **NO** state tax on my distribution (only for residents of states that do not require mandatory state tax withholding).
2. ☐ Withhold state taxes from my distribution at the state minimum.
3. ☐ Withhold state taxes from my distribution in the amount of $ _____.

NOTE: If you elect a dollar amount that is below the minimum state tax withholding determined by your state, then the state minimum will be applied.
NOTE: If you elect a dollar amount, that amount will be withheld from each transaction. If there are multiple fund accounts, and you want different amounts withheld per fund account, please include a letter of instruction.

9 ACCOUNT OWNER'S CERTIFICATION AND AUTHORIZATION

- I have read the accompanying Excess Contribution Guide, and I am aware of the tax consequences of this request to correct an excess contribution, which I hereby authorize, and assume full responsibility for same. I further certify, under penalty of perjury, that all information contained herein is true and correct.
- I have reviewed the sample Form W-4R on page 7 to ensure I have selected the appropriate amount of federal withholding from this distribution.
- I authorize Franklin Templeton Investor Services, LLC ("Franklin Templeton") to initiate electronic debits from and/or credits to the Bank Account identified in Section 6 (if one is provided), when instructed to do so by me or by my authorized representative (and to make, if necessary, adjusting transfers if any amounts are transferred in error). If the Franklin Templeton account(s) and Bank Account include at least one common owner, I certify that the signature of the Franklin Templeton account owner is sufficient to authorize debits from the referenced Bank Account.
- I understand and agree that this authorization will remain in full force and effect until Franklin Templeton has received notification (whether by telephone or in writing) from me or my authorized representative, that this authorization is terminated, and Franklin Templeton and the financial institution have had a reasonable opportunity to act on the notification. I also agree that Franklin Templeton may make additional attempts to debit/credit the Bank Account if the initial attempt fails, and if a transfer is denied by the bank for any reason, Franklin Templeton will discontinue this authorization.
- I have requested options for transfers to or from my bank account in Section 6 and if there are no common owners between that bank account and my Franklin Templeton fund account, my signature in Section 9 is signature guaranteed.
- I understand that digital communication channels are not necessarily secure. If I do choose to send confidential or sensitive information to you via digital communication channels (e.g., email, chat, text messaging, fax), I am accepting the associated risks related to potential lack of security, such as the possibility that my confidential or sensitive information may be intercepted/accessed by a third party and subsequently used or sold.

X _____ Date _____

Signature of Franklin Templeton Account Owner

SIGNATURE GUARANTEE OR MEDALLION GUARANTEE STAMP (IF REQUIRED)*

***A signature guarantee is REQUIRED for any of the scenarios listed below:**
- over $250,000
- sent to a new address or any address other than the address of record
- made payable to a third-party
- sent electronically within 15 days of establishing or changing bank instructions
- sent electronically to a new bank account and you are not listed as an owner on that bank account.

A NOTARY SEAL IS NOT ACCEPTABLE
*Please have each signature separately guaranteed by a bank, savings and loan association, trust company, credit union,broker-dealer, or any other "eligible guarantor institution" as defined under the rules adopted by the Securities and Exchange Commission. These institutions often participate in signature guarantee medallion programs such as the Securities Transfer Agent Medallion Program (STAMP). **A notary public cannot provide a signature guarantee.**

(continued)

9 ACCOUNT OWNER'S CERTIFICATION AND AUTHORIZATION (cont'd.)

BANK ACCOUNT OWNER(S) SIGNATURE(S) ONLY

X	Date
Signature of Bank Account Owner	

X	Date
Signature of Bank Account Owner	

SIGNATURE GUARANTEE OR MEDALLION GUARANTEE STAMP (IF REQUIRED – SEE SECTION 6)

SIGNATURE GUARANTEE OR MEDALLION GUARANTEE STAMP (IF REQUIRED – SEE SECTION 6)

MAKE A PHOTOCOPY OF THE COMPLETED FORM FOR YOUR RECORDS

IMPORTANT: If an original signature guarantee or notary is required to process your request you may NOT email or fax your documents.

EMAIL	FAX	MAIL
• Emails **MUST** include an attachment (PDF preferred) of your request. • Sender's email address **MUST** match the email address on file, or the email **MUST** include a related reference ID to be accepted. • If you have not been registered on franklintempleton.com for at least 15 calendar days, call (800) 527-2020 to request a reference ID to include in your email. **Financial Professionals:** ftrequests.us.franklintempleton@fisglobal.com **Shareholders:** shrequests.us.franklintempleton@fisglobal.com	(855) 891-8377	You may use any of the below mailing addresses: **Regular Mail** • Franklin Templeton P.O. Box 33033 St. Petersburg, FL 33733–8033 **Overnight** • Franklin Templeton 100 Fountain Parkway N. St. Petersburg, FL 33716–1205

(continued)

Excess Contribution Guide

Before completing the Notification of Excess/Ineligible Contribution form, please read the following information concerning excess contributions.

A EXCESS CONTRIBUTIONS TO TRADITIONAL IRAS

1. In order to avoid a 6% excise tax, the excess (or nondeductible) contribution must be withdrawn by your tax-filing deadline (including extensions). Any earnings attributable to the excess contribution must also be withdrawn and are included as income in the year for which the excess contribution was made. [IRC §408(d)(4)] (Providing an account statement showing the excess amount(s) will expedite the processing of your request).
2. After your tax filing deadline, only contributions in excess of the "contribution limit or 100% of compensation limit" are treated as excess contributions and, as a result, are subject to a 6% excise tax each year until corrected. [IRC §408(d)(5) & §4973] Any earnings attributable to the excess contribution may not be removed as excess earnings.

   An IRA contribution that does not exceed the "contribution limit or 100% of compensation limit" but is nondeductible due to the "active participant" rules, may not be withdrawn as an "excess contribution" and must be treated as a "nondeductible IRA contribution" by filing IRS Form 8606 with your tax return.
3. If your tax filing deadline has passed and your total IRA contribution for the year exceeded your contribution limit, the amount removed may be subject to ordinary income tax in the year in which it is removed. **You may avoid taxation on this amount by leaving the excess contribution amount in your account and automatically applying it to the following tax year. However, in either case, the 6% excise tax will still apply to your excess IRA contribution.** [IRC §408(d)(5) & §4973]

B EXCESS CONTRIBUTIONS TO ROTH IRAS

1. Contributions, which exceed the allowable maximum limits per year, are considered excess contributions. A 6% excise tax on the excess amount contributed will be incurred for each year in which the excess remains in your Roth IRA. Although the excess contribution withdrawn is not taxable, the earnings will be included as income for the tax year the excess was made. [IRC §408(d)(4)]
2. After the tax filing deadline, only Roth IRA contributions in excess of the "lesser of 100% of the compensation or the contribution limit" may be withdrawn, and are subject to a 6% excise tax on the amount of the excess for each year it remains in the Roth IRA. **You may avoid taxation on this amount by leaving the excess contribution amount in your account and automatically applying it to the following tax year. However, in either case, the 6% excise tax will still apply to your excess IRA contribution.** [IRC §408(d)(5) & §4973]
3. In general, the amount of any excess contribution withdrawn will not be considered a taxable distribution.

C EXCESS CONTRIBUTIONS TO COVERDELL EDUCATION SAVINGS ACCOUNT ("COVERDELL ESA")

Aggregate contributions for the benefit of a particular child ("beneficiary") in excess of $2,000 for a tax year are treated as excess contributions. If the excess contributions (and any earnings attributable to them) are not withdrawn from the Coverdell ESA before the tax return is due, the excess contributions are subject to a 6% excise tax for each year the excess remains in the Coverdell ESA. Although the excess contribution withdrawn is not taxable, the earnings will be included as income for the tax year the excess was made. The excise tax is imposed on the beneficiary and not the contributor. [IRC §§4973(a), 4973(e); Notice 97-60]

D INELIGIBLE IRA ROLLOVER CONTRIBUTIONS (RULES IN ADDITION TO THOSE LISTED ABOVE)

Generally, the rules for Traditional IRAs are applicable. Please note that if an excess contribution in your IRA is the result of incorrect information provided to you by the distributing plan when determining the rollover amount, the limit referenced in A-3 above, does not apply. The amount of the excess rollover is the amount exceeding the eligible IRA Rollover amount.

E EXCESS EMPLOYER CONTRIBUTIONS TO SEP IRAS

1. The excess amount may be carried over to be deductible in the succeeding taxable year, subject to the plan's deductibility limit. [IRC §404(h)(1)(C)]
2. The employer may be subject to a 10% excise tax on any nondeductible employer contribution that remains in the account at the close of the year. [IRC §4972]
3. The SEP IRA participant may withdraw the excess contribution and earnings without penalty by his or her tax filing deadline (plus extensions). The earnings on an excess contribution are taxed in the year the contribution was made. Contributions left in the SEP IRA after the tax filing deadline (plus extensions) are subject to a 6% excise tax until withdrawn, and may be subject to the 10% tax penalty on withdrawal if the participant is under age 59½. [Instructions to IRS Form 5305-SEP]

F EXCESS SALARY DEFERRALS TO SIMPLE-IRA AND SARSEP-IRA PLANS

1. In order to avoid a 6% excise tax, the excess salary deferral amount must be withdrawn by the tax filing deadline, following the year in which the deferrals were made. Any earnings attributable to the excess deferral must also be withdrawn and are included as income in the year for which the excess contribution was made. [IRS Notice 87-77] (Providing an account statement showing the excess amount(s) will expedite the processing of your request).
2. Excess deferrals that are not withdrawn by the tax filing deadline following the year in which the deferrals were made are treated as Traditional IRA contributions, subject to the IRA contribution limits under IRC §219 and §408A. A 6% excise tax is imposed each year on any deferral amounts that exceeds the Traditional IRA limits, until it is corrected. [IRS Form 5305A-SEP and IRC §4973]

G EXCESS CONTRIBUTIONS TO SIMPLE IRAS

1. The return of excess contributions from a SIMPLE IRA plan is handled the same as the return of excess contributions from a SEP IRA under Internal Revenue Code Section 408(p)(2)(D)(i). [IRRA 1998 §6018(b)]
2. If the participant withdraws the excess contribution and earnings by his/her tax-filing deadline (plus extensions), he/she will avoid a 6% excise tax. The earnings are taxed in the year that the contribution was made. If the amounts are not withdrawn by the participant's tax-filing deadline (plus extensions) the participant will be subject to a 6% excise tax for each year the excess contribution remains in the account until it is corrected. After the participant's tax filing deadline, earnings are left in the account, and the contributions withdrawn may be subject to the 10% or 25% tax penalty stated above.

H NONDEDUCTIBLE EMPLOYER CONTRIBUTIONS

1. The excess amount (not including earnings) may be carried over to be deductible in the succeeding taxable year, subject to the deductibility limit of the plan up to 25%. [IRC §404(a)]
2. The employer may be subject to a 10% excise tax on any nondeductible employer contribution that remains in the account at the close of the year. [IRC §4972]
3. The employer may only withdraw a nondeductible contribution if made due to a mistake of fact or law described in IRC §4980(c)(2)(B)(ii). Furthermore, only contributions made within the past 12 months may be withdrawn and only by the employer's tax-filing deadline (including extensions). [IRC §4972(c)]

IRS FORM 5329

The IRS requires that Form 5329—*Additional Taxes Attributable to IRAs*—be filed if your contribution to your IRAs, Roth IRAs, Coverdell Education Savings Accounts, or qualified plan is more than is allowable and you had an excess contribution. If you require this form or need additional information, you may contact the IRS at (800) TAX-FORM or at their website IRS.gov.

I EARNINGS ATTRIBUTABLE TO EXCESS OR INELIGIBLE CONTRIBUTIONS

The calculation of any earnings attributable to the excess or ineligible contributions is based on instructions in IRS Publication 590-A, Worksheet 1-4 (See also IRS Notice 2000-39).

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RIRA-FEXES-0926

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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

2026

1a First name and middle initial	Last name	**1b Social security number**

Address

City or town, state, and ZIP code

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 unless otherwise noted.

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 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.

2026 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%**
16,100	**10%**	32,200	**10%**	24,150	**10%**
28,500	**12%**	57,000	**12%**	41,850	**12%**
66,500	**22%**	133,000	**22%**	91,600	**22%**
121,800	**24%**	243,600	**24%**	129,850	**24%**
217,875	**32%**	435,750	**32%**	225,900	**32%**
272,325	**35%**	544,650	**35%**	280,350	**35%**
656,700*	**37%**	800,900	**37%**	664,750	**37%**

* If married filing separately, use $400,450 instead for this 37% rate.

SAMPLE

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 2026, 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;
- Qualified long-term care 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 $70,000 without the payment. Step 1: Because your total income without the payment, $70,000, is greater than $66,500 but less than $121,800, the corresponding rate is 22%. Step 2: Because your total income with the payment, $90,000, is greater than $66,500 but less than $121,800, 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 $60,000 without the payment. Step 1: Because your total income without the payment, $60,000, is greater than $28,500 but less than $66,500, the corresponding rate is 12%. Step 2: Because your total income with the payment, $80,000, is greater than $66,500 but less than $121,800, the

SAMPLE

corresponding rate is 22%. The two rates differ. $6,500 of the $20,000 payment is in the lower bracket ($66,500 less your total income of $60,000 without the payment), and $13,500 is in the higher bracket ($20,000 less the $6,500 that is in the lower bracket). Multiply $6,500 by 12% to get $780. Multiply $13,500 by 22% to get $2,970. The sum of these two amounts is $3,750. This is the estimated tax on your payment. This amount corresponds to 19% of the $20,000 payment ($3,750 divided by $20,000). Enter "19" on line 2.

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

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