Navy Federal®

Required Minimum Distributions (RMD) Status

(For Traditional/SEP IRA. Does not apply for a Roth IRA plan.)

Access No.

Please use this form to update your RMD elections. Complete and return the application to Navy Federal. If needed, make a copy of this information for your records. Upon receipt, Navy Federal will calculate and establish your payout schedule and send you confirmation with all pertinent information. **Please note that incomplete forms may result in delayed processing.** For additional information and disclosures, please refer to the information located on the reverse of this application.

A. Member Information

Name	MI	Last	Suffix

Address: Street	City	State	Zip Code

Social Security No. *(ITIN)*	Date of Birth *(MM/DD/YY)*	Home Phone No.		
– –	/ /	– –	**Navy Federal Credit Union**	**PO Box 3000, Merrifield, VA 22119-3000**
IRA Account Number		Type of IRA Plan *(Please complete a separate form for each plan type.)* ☐ Traditional IRA or ☐ SEP		Navy Federal's Phone No. **(888) 842-6328**

B. IRA Holder Distribution Election

Select one:

☐ I elect to withdraw my required minimum distribution from Navy Federal. ***(Please complete the rest of the form.)***

☐ **Alternative Method –** I request that no distribution be made because I will satisfy my required minimum distribution from another financial institution. ***(Please sign and return form.)***

C. IRA Holder Life Expectancy *(This section must be completed prior to withdrawal of a required minimum distribution.)*

Is your spouse more than 10 years younger than you, and is he/she your sole primary beneficiary for the entire calendar year? ☐ Yes ☐ No

Note: If yes, the joint life expectancy of you and your spouse, recalculated, is used. If no, the Uniform Lifetime Table is used to determine the required minimum distribution.

D. Tax Withholding *(Form W-4P/OMB No.1545-0074)* Distributions from your IRA are subject to federal income tax withholding unless you check the "No Withholding" box.

If you are a permanent resident of Virginia (i.e., file a Virginia state income tax return), you may choose to withhold Virginia state tax.

If you elect not to have withholding applied to your distributions, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

☐ No Withholding: I do not want any federal or state (VA) tax withheld from my IRA distribution.

☐ Federal Withholding Only: Withhold minimum 10% or _____% of my distribution for federal income tax.

☐ Virginia State Withholding Only (Virginia residents only): Withhold minimum 4% or _____% of my distribution for Virginia state income tax.

☐ Federal and **Virginia** State Withholding: Withhold minimum 10% or _____% of my distribution for federal income tax and minimum 4% or _____% of my distribution for **Virginia** state income tax.

E. Other Financial Institutions' Fair Market Value *(Fill out if applicable.)*

If you have IRA funds at any other institutions and would like Navy Federal to withdraw your total RMD, please provide us with your fair market value (previous year's ending balance) from those institutions.

1. _____ 2. _____ 3. _____

Note: You will need to notify us in writing with this information each year that you wish us to take the total withdrawal. Please attach a separate sheet if you have more than three fair market values.

F. Distribution Information

I direct Navy Federal to distribute my RMD as follows (I understand this will remain in effect until I submit written notification stating otherwise):

Please begin my RMD distribution on date *(MM/DD/YYYY)*: _____/_____/_____.

Distribution: ☐ RMD Only ☐ Lump Sum ☐ Deplete my account over _____ years ☐ Fixed Amount $_____

Frequency: ☐ Monthly ☐ Quarterly *(Distributions will be on 3/30, 6/30, 9/30, and 12/30.)* ☐ Annually

Method of Distribution:

☐ Transfer to Navy Federal savings account no. _____ ☐ Transfer to Navy Federal checking account no. _____

☐ Transfer to Navy Federal Money Market Savings Account no. _____ ☐ Transfer to Navy Federal Certificate for a term of _____ mos./yrs.

☐ Send check–Address of record *(Minimum balance required – must notify Navy Federal each year for this option.)*

Other Financial Institution	Account No.	Account Type
☐ **Send check payable to:**		

Address: Street	City	State	Zip Code

G. Signatures Are Required *(By signing, I acknowledge I have read and agree to the information/disclosure above.)*

I understand this will remain in effect until I submit written notification stating otherwise.

I certify that all of the information provided by me is true and accurate. No advice has been given to me by the Trustee or Custodian. All decisions regarding this withdrawal are my own. I expressly assume the responsibility for any adverse consequences that may arise from this withdrawal, and I agree that the Trustee or Custodian shall in no way be held responsible.

Printed Name	Daytime Phone No. – –
Member Signature ▶	Date *(MM/DD/YY)* / /

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Important Information about Required Minimum Distributions (RMD) from Traditional/SEP IRAs

Note: The RMD does not apply for a Roth IRA plan.

Required Minimum Distribution (RMD) Regulation

IRAs are designed to encourage tax-deferred savings for an individual's retirement; they are not intended to permanently shelter these dollars from income tax. Therefore, Internal Revenue Service (IRS) regulations (Internal Revenue Code 408(a)) require that IRA account holders begin taking annual distributions from their Traditional/SEP IRA in the year in which they turn age 70½. The objective is for the IRA to be disbursed during the account holder's lifetime. To accomplish this, the RMD for each year is calculated by using the Uniform Lifetime Table divisor applicable to the individual's age for that calendar year. The table applies to both married and single plan participants and is applied annually. The data required is the individual's age in the distribution year and the account value (fair market value) of the plan as of the end of the prior calendar year. Those individuals with a spousal beneficiary who is more than 10 years younger will use the Joint Life Table. However, this will result in a longer distribution period. The RMD must be satisfied by 31 December of each year.

Navy Federal will calculate, arrange, and disburse the IRA account holder's RMD free of charge upon receipt of NFCU 312 or a letter containing equivalent information. However, the IRA account holder bears the ultimate responsibility. Because of the complexity of the IRA rules and possible tax implications for individual circumstances, members may wish to consult with a qualified tax advisor for additional assistance. In addition, Publication 590, *Individual Retirement Arrangements*, is available from the IRS. You may also call Navy Federal's IRA Section at 1-888-842-6328 between 7:30 am and 7:30 pm, Monday through Friday, Eastern Time.

Required Beginning Date

IRA account holders must receive the entire lump sum balance or begin receiving annual disbursements by 31 December of the year in which they turn 70½. The first annual payout may be delayed until 1 April of the following year. If this option is chosen, the account holder will receive two distributions in the first year. Future RMDs ***may not*** be delayed and must be distributed by 31 December of each year.

Beneficiary Information

The IRA account holder may change the beneficiary(ies) of the plan without consequence(s) to the RMD, unless you are using the Joint Life Table.

Multiple IRAs

If the account holder has multiple IRAs (at different financial institutions), they may take distributions from each IRA. You may also combine the total fair market value and take the distribution from an IRA at one financial institution. We will use the Uniform Lifetime Table to calculate these distributions.

IRS Penalties

You may have to pay the IRS a penalty tax equal to 50% of a RMD if you fail to withdraw in a timely manner.

Method and Frequency of Distributions from a Navy Federal IRA

The RMD from Navy Federal may be distributed monthly, quarterly, or annually as determined by the account holder. The account holder has the option of having the funds deposited into a non-IRA Navy Federal account, sent by check via mail, or mailed to a non-IRA account at another financial institution. The RMD from your Navy Federal IRA will be disbursed first from your IRA share account(s) followed by IRA certificates with the lowest dividend rates. Navy Federal will not assess a dividend penalty on RMD funds withdrawn from an IRA certificate. ***If we do not receive written notification from you, your RMD will not be distributed.***

IRA Contributions

Contributions to a Traditional IRA are not allowed for the year the account holder turns 70½, or thereafter. However, an account holder can make "carry back" prior year contributions for the preceding year if the account holder was the recipient of earned income. Contributions for the preceding year can be made up to the IRS deadline for each given year.

IRA Rollovers and Direct Transfers

It is possible for account holders to take IRA distributions that are intended to be "rolled back" into an IRA within 60 days, or transferred to another financial institution during their 70½ year and forward. Sometimes, these funds may not be re-deposited back into the IRA account until after 31 December, and therefore will not appear as part of the fair market value used to determine the RMD for that year. Nevertheless, these must be added back into the 31 December fair market value balance when calculating the RMD. A 60-day rollover withdrawal does not satisfy the RMD requirement. RMDs are not eligible for rollovers and must be satisfied prior to a 60-day rollover.

If a conversion or failed conversion is recharacterized along with the net income attributable, add to the receiving IRA the amount of the recharacterized conversion plus net income attributable to the December 31 balance for the year in which the conversion or failed conversion occurred.

Tax Withholding *(Form W-4P/OMB No. 1545-0074)*

Basic Information About Withholding from IRAs

Generally, federal income tax withholding applies to payments made from IRAs.

Purpose of Form W-4P

Unless you elect otherwise, federal income tax will be withheld from payments from IRAs. You can use IRS Form W-4P or a substitute form, such as that contained on this form furnished by the Trustee or Custodian, to instruct your Trustee or Custodian to withhold no tax from your IRA payments (or to revoke this election). This substitute form should be used only for distributions from IRAs that are payable upon demand.

Non-periodic Payments

Payments from IRAs that are payable upon demand are treated as non-periodic payments for federal income tax purposes. Generally, non-periodic payments must have income tax withheld at a rate not less than 10%.

You can elect to have no income tax withheld from a non-periodic payment (IRA payment) by filing IRS form W-4P or a substitute form with the Trustee or Custodian and checking the appropriate box on that form. Your election will remain in effect for any subsequent distribution unless you change or revoke it.

A U.S. citizen or resident alien may not waive withholding on any distribution delivered outside the U.S. or its possessions. Distributions to a non-resident alien are generally subject to a tax-withholding rate of 30%. A reduced withholding rate, including exemption, may apply if there is a tax treaty between the non-resident alien's country of residence and the United States, and the non-resident alien submits Form W8-BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding,* or satisfies the documentation requirements as provided under the regulations.

For more information, please see Publication 505, *Tax Withholding and Estimated Tax* and Publication 515, *Withholding of Tax on Non-resident Aliens and Foreign Entities*, available from most IRS offices.

Caution: *Remember that there are penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505. 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 IRS Form W-4P.*

Revoking the Exemption from Withholding

If you want to revoke your previously filed exemption from withholding, file another IRS 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, you will receive a statement from your Trustee or Custodian showing the total amount of your IRA payments and the total federal income tax withheld during the year. Copies of IRS Form W-4P will not be sent to the IRS by the Trustee or Custodian.