

**Navy Federal®**  
**Roth IRA Direct Conversion**

▶ Fax Number: (703) 206-4250 ▶ Toll-Free Number: (888) 842-6328  
▶ Mail: P.O. Box 3001, Merrifield, VA 22119-3001

Access No. \_\_\_\_\_

The term "IRA" will be used below to mean Traditional IRA or SEP IRA, unless otherwise specified. **Information: This form will be used to initiate the direct conversion of IRA funds from a Traditional or SEP IRA to a Roth IRA. If you do not have an existing Roth IRA Plan, a Navy Federal Roth IRA Application (NFCU form 802A) must be provided with this application.**

A. Member Information			
Name: First	MI	Last	Suffix
Date of Birth (MM/DD/YY)		Home Phone No.	

**B. Important IRA to Roth Conversion Considerations. Please read and acknowledge each statement below by placing a check in the box.**

I have been advised that if I have any questions regarding a Roth direct conversion, I must consult a competent tax professional or refer to IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), for more information. This publication is available on the IRS website at [www.irs.gov](http://www.irs.gov) or by calling 1-800-TAX-FORM.

I understand that if this Roth conversion is made during or after the year in which I turn age 70½ (date of birth on or before 6/30/1949) or age 72 (date of birth on or after 7/1/1949), I **cannot** convert any part of my Required Minimum Distribution (RMD). I understand I must distribute my full RMD **prior** to requesting this conversion.

**C. Navy Federal IRA to Roth Conversion Instructions**

Directly convert:  all  part of my Navy Federal Traditional IRA balance to my Navy Federal Roth IRA in the manner listed below.

Traditional IRA No.	Amount to Be Converted	Existing Roth IRA No.*
	\$	
	\$	
	\$	

**\*If you prefer to open a new product under your existing Roth IRA plan, please select from the below options. If you do not have an existing Roth IRA plan, a Roth IRA Application (NFCU form 802A) must be provided with this application.**

<p><b>Please open a Roth IRA account below:</b></p> <p><input type="checkbox"/> Roth Savings Account</p> <p><input type="checkbox"/> Roth MMSA</p> <p><input type="checkbox"/> Roth Jumbo MMSA</p> <p><input type="checkbox"/> \$50 Min. Roth EasyStart<sup>SM</sup></p> <p>Select Term: <input type="checkbox"/> 6 months <input type="checkbox"/> 12 months  <input type="checkbox"/> 18 months <input type="checkbox"/> 24 months</p> <p><input type="checkbox"/> \$500 Min. Roth Variable Cert. (3 Years)</p> <p><input type="checkbox"/> Other _____</p>	<p><b>Or, choose a Roth IRA Certificate Minimum and Term:</b></p> <p><b>Minimum:</b></p> <p><input type="checkbox"/> \$1,000 min. <input type="checkbox"/> \$10,000 min. <input type="checkbox"/> \$20,000 min. <input type="checkbox"/> \$50,000 min. <input type="checkbox"/> \$100,000 min.</p> <p><b>Short Term:</b></p> <p><input type="checkbox"/> 3 months <input type="checkbox"/> 6 months <input type="checkbox"/> 9 months <input type="checkbox"/> 12 months <input type="checkbox"/> 18 months <input type="checkbox"/> 24 months</p> <p><b>Long Term:</b></p> <p><input type="checkbox"/> 3 years <input type="checkbox"/> 4 years <input type="checkbox"/> 5 years <input type="checkbox"/> 6 years <input type="checkbox"/> 7 years</p>
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**D. Withholding Election (Form W-4P/OMB No. 1545-0074)**

**See Page 2 of this form for the withholding notice information. If you are a non-resident alien, do not complete this section.**

**Select One:**

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. Signature**

I have read and understand the conversion rules, considerations, and conditions on both pages of this form, and I have met the requirements for making a Roth conversion. Due to the important tax consequences of converting funds to a Roth IRA, I have been advised to see a tax professional. All information provided by me is true and correct, and may be relied on by Navy Federal Credit Union. I assume full responsibility for this direct conversion transaction and will not hold Navy Federal Credit Union liable for any adverse consequences that may result.

Roth IRA Holder Signature ▶	Date (MM/DD/YY)
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**Additional information on reverse.**



## Rules and Conditions Applicable to Conversions

### General Information

A conversion is a way to move money or property from a Traditional or SEP IRA to a Roth IRA. By properly completing this form, you are certifying to the Trustees or Custodians that you have satisfied the rules and conditions applicable to a direct conversion and that you are making an irrevocable election to treat the transaction as a conversion.

### Traditional or SEP IRA to Roth IRA Conversion

This form should be used by those members who are requesting conversion from an IRA. This option will be used for funds that are currently in a Navy Federal Traditional or SEP IRA and are being internally converted to a Navy Federal Roth IRA.

### Required Minimum Distribution Conversion Restriction

If this conversion is being made during or after the year in which you turn age 70½ (date of birth on or before 6/30/1949) or age 72 (date of birth on or after 7/1/1949), you **cannot** convert any distribution to the extent that it is a required minimum distribution (RMD) from the distributing IRA. You must distribute your RMD prior to requesting a Roth direct conversion.

### Withholding Notice Information (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 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 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 distributions unless you change or revoke it.

A U.S. citizen or resident alien may not waive withholding on any distribution delivered outside of 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 W-8BEN, *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 Form W-4P.*

#### 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, 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 Form W-4P will not be sent to the IRS by the Trustee or Custodian.*