



IRA and ESA Excess Contribution Removal Form

To remove an excess contribution from your traditional/rollover IRA, SEP-IRA, Roth IRA, inherited IRA, or education savings account (ESA)

This form enables you to remove your excess contribution and send the proceeds to your bank account, invest it in an existing nonretirement account, or have it mailed to you.

If you need to remove excess contributions from more than one type of account, complete a separate IRA and ESA Excess Contribution Removal Form for each type. If you're removing excess salary deferrals or employer contributions from a SEP IRA under the Employee Plans

Compliance Resolution System (EPCRS), please call us at 800-205-6189.

Your removal of an excess contribution is considered a distribution from your account and may be subject to taxes and penalties. Under most circumstances, you must report it on your income tax return.

Read the following tax information before you complete the form. **If you have questions about your personal situation, consult your tax advisor.**

Important tax information

Removal of excess by the correction deadline

To avoid a 6% federal penalty tax, you must remove the excess contribution **by the applicable IRS correction deadline**. Generally, the deadline for IRAs is October 15, the deadline for Salary Reduction Simplified Employee Pension Plans (SARSEPs) is April 15, and the deadline for ESAs is May 31 (all deadlines are in the year *following* the tax year of your contribution). Earnings on the excess contribution also must be removed by the correction deadline.

Vanguard will calculate and remove any earnings on the excess amount according to IRS regulations. The earnings on the excess are included in your income for the year in which your contribution was made.

Vanguard will send you Form 1099-R or 1099-Q (or Form 1042-S if you're a nonresident alien) in the year after the excess was removed.

Removal of excess after the correction deadline

If you remove the excess contribution **after the applicable IRS correction deadline**, the earnings stay in your account and the excess principal is generally subject to a 6% federal penalty tax each year it remains in your account. The penalty tax also applies to the year for which the excess was contributed. You can be charged the penalty tax on any excess amount for up to six years, beginning with the year when you file the federal income tax return for the year the error occurred. Consult a tax advisor to discuss how this applies to you.

If you remove the excess deferral to a SARSEP **after the applicable IRS correction deadline**, the excess will be treated as a traditional IRA contribution subject to IRS limits.

Because earnings stay in the account, Vanguard won't calculate any earnings on the excess.

Vanguard will send you Form 1099-R or 1099-Q (or Form 1042-S if you're a nonresident alien) in the year after the excess was removed. You may also need to file Form 5329 to indicate the additional 6% taxes due.

Carryforward to a future tax year

Instead of removing your excess contribution, you may correct an excess **after the applicable IRS correction deadline** by carrying it over to a subsequent tax year until the entire excess amount is depleted. This option is available if you're eligible to contribute and haven't met the contribution limit in the subsequent tax year. The excess is generally subject to a 6% federal penalty tax for each year, including the year for which the excess was contributed, until the entire excess amount is depleted. You can be charged the penalty tax on any excess amount for up to six years, beginning with the year when you file the federal income tax return for the year the error occurred. Consult a tax advisor to discuss how this applies to you. A prior year excess that's carried forward to a future tax year under this method can't be recharacterized to another IRA.

If you wish to carry forward an excess contribution, you don't need to complete this form or contact Vanguard.* Vanguard won't report the correction on an IRS form because the excess isn't being removed from the account.

Excess deferrals from a SARSEP **can't** be carried forward.

You may need to file Form 5329 to indicate the additional 6% taxes due.

(over)

*It's the taxpayer's responsibility to keep accurate records and report to the IRS the excess that was carried forward as a new contribution. Vanguard doesn't record any distribution or change any year of contribution if an excess is carried forward.

Important correction deadlines

- To avoid the 6% federal penalty tax on the excess, you must remove the excess by the applicable deadline.
- **Excess IRA contribution.** If you're correcting an excess contribution to an IRA for any tax year, you must withdraw the excess amount by **October 15** of the following year or face a federal penalty tax on the amount of the excess. **You're allowed an automatic extension to correct the excess (until October 15) only if you've filed your income tax return by your filing deadline, including any extensions. Generally, if you've already filed your tax return, you must submit an amended return for the year of the excess contribution.**

Note: If you contributed to both a traditional/rollover IRA *and* a Roth IRA in the same tax year for which you contributed an excess amount and you're removing the excess after the deadline (including extensions), IRS regulations require you to remove the excess from your Roth IRA first.

- **Excess salary deferral contribution.** If you're correcting an excess deferral to a SARSEP for any tax year, you must withdraw the excess amount by **April 15** of the following year or you may incur additional taxes and penalties on the excess. **You're NOT allowed an automatic extension to correct the excess.** Your principal will be taxed in the year of deferral and any earnings will be taxed in the year they're distributed. See IRS Publication 560 for more information.
- **Excess ESA contribution.** Generally, the deadline for ESAs is **May 31** of the year following the tax year of your contribution. Earnings on the excess contribution must also be removed by the deadline.

Important note about brokerage accounts

In order to take a cash distribution from stocks, ETFs (exchange-traded funds), CDs (certificates of deposit), and non-Vanguard mutual funds, you must have sold the assets and the proceeds need to be in your settlement vehicle. If you don't want to sell the investments, you can make an in-kind distribution into a new or an existing nonretirement account.

Questions?

For details about:

- **Reporting requirements.** Review IRS Form 5329.
- **Tax consequences.** Refer to IRS Publications 590-A and 970, which can be accessed at irs.gov or by calling 800-829-3676.
- **IRAs.** Refer to the Vanguard Traditional and Roth IRA Disclosure Statement (available at vanguard.com).
- **ESAs.** Refer to the Vanguard Education Savings Account Disclosure Statement (contact us for a copy).

If you need additional assistance, call us at 800-662-7447.

Mailing information

Mail your completed form and any other required forms in the enclosed postage-paid envelope.

Mail to
Vanguard
P.O. Box 982901
El Paso, TX 79998-2901

For overnight delivery, mail to:
Vanguard
5951 Lockett Court, Suite A1
El Paso, TX 79932-1882

How to complete the IRA and ESA Excess Contribution Removal Form

Important information

Your distributing and receiving accounts must have the same number of digits. For example, you can't use this form to remove an excess contribution from an 8-digit brokerage account and transfer it to an 11-digit mutual fund account.

Trade instructions can only be given online or by phone. Vanguard updated its written order policy. We can't accept written instructions for buying, selling, or exchanging brokerage holdings, including Vanguard funds in a brokerage account. You can still make purchases to and redemptions from your settlement vehicle in writing.

For brokerage accounts (8 digits), make sure you have enough money in your settlement vehicle. If you're removing an excess contribution from your settlement vehicle, you must have enough cash available to cover both the amount of excess and the attributable earnings. If you don't have enough money in your settlement vehicle, your request can't be completed.

Note that account values change from day to day. Market fluctuations may affect your excess contribution removal.

Terms to understand

- **In-kind transfer:** a transfer between the same funds—VFIAX to VFIAX, for example.
- **Nonretirement account:** a taxable account—could be an individual or a joint account.
- **Retirement account:** a tax-deferred account, like an IRA.
- **Settlement vehicle:** the sweep vehicle used to settle trades in a brokerage account or store cash.
- **Secondary holding:** a backup fund to use in case your primary fund doesn't have enough money.
- **Vanguard Brokerage Account:** can hold brokerage and mutual fund assets; has an 8-digit account number.
- **Vanguard mutual fund account:** can only hold Vanguard mutual funds; has an 11-digit account number.
- **Written order:** a written request to liquidate and sell a nonsettlement asset in an 8-digit brokerage account. You can go online to liquidate nonsettlement assets into your settlement vehicle.

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IRA and ESA Excess Contribution Removal Form

Effective December 2023

Use this form to remove a contribution from your account. Complete a separate form for each account type or if you're removing from multiple tax years. **You must complete all sections of this form.**

Don't use this form for a SIMPLE IRA, exchanges, or recharacterizations. Visit vanguard.com to find the appropriate form.

Settlement vehicle information: If you're removing an excess contribution from your settlement vehicle, you must have enough money available to cover the transaction. If you don't, you can sell additional funds into your settlement vehicle by logging on to vanguard.com. If you need assistance, call us to continue with your excess removal.

Print in capital letters and use black ink.

1. Account owner information *Required*

Provide your name as it appears on your account. >

Name <i>first, middle initial, last</i>			
Daytime phone <i>area code, number, extension</i>		Evening phone <i>area code, number, extension</i>	
Mobile		Mobile	
Last four digits of Social Security number			Zip code

2. Type of account and excess amount *Required*

Select the account you're removing from. Check one and provide the required information below.

Traditional/Rollover IRA	Roth IRA	SEP-IRA employer	ESA
Inherited traditional IRA	Inherited Roth IRA	SEP-IRA employee	SARSEP

Enter the principal amount only. Do not include earnings in the amount provided. Vanguard will calculate and remove any earnings on the excess amount according to IRS guidelines. >

Distributing account number (where your excess is coming from)	
Amount of excess \$	Tax year of contribution

Select the source of the excess to be removed. Check one from the list below.

Contribution	Rollover	Conversion
Recharacterization	Asset Transfer (<i>you must also complete Section 3</i>)	

3. Did your excess contribution occur at Vanguard? *Required*

If the excess contribution was made at Vanguard, check Yes below and skip to the next section. If the excess contribution was made at another firm and transferred to Vanguard, you must complete this section. This information is required because we need to know what your contribution earned (or lost) while it was at the other firm. Vanguard can't complete an earnings calculation for the assets while they were held elsewhere.

Check one.

Yes Skip to the next section.	No
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You're required to have the previous firm complete an earnings calculation. Simply enter the information from your earnings statement below. We'll combine that information with our calculation of the earnings of the assets while they were at Vanguard.

If the previous firm won't complete the calculation, consult a tax advisor or refer to IRS Publication 590-A.

Name of previous firm	Earnings at previous firm	or	Loss at previous firm
	\$		\$
Contribution date at previous firm mm/dd/yyyy			

If you had multiple asset transfers and/or rollovers into your Vanguard account, please provide the date received by Vanguard for the particular transaction you wish to remove from.

Date received by Vanguard mm/dd/yyyy

4. Distribution instructions *Required*

Note: Brokerage accounts are 8 digits long. Mutual fund accounts are 11 digits long.

If the excess resulted from contributions to a traditional/rollover IRA and a Roth IRA, IRS regulations require you to remove the excess from your Roth IRA first.

Check one.

I certify that the deadline for withdrawing excess contributions from my IRA or ESA to avoid the 6% penalty HAS NOT passed. (See "Important tax information" on the cover of this form for details about the deadline.)
The deadline has passed.

Check Option A or B and provide any requested information. You can choose only one option for all your holdings. Not all options are available for each type of account, so read each option carefully.

Option A. Move my holdings in kind to my nonretirement account. Enter your amount of excess in the Amount box. DO NOT include earnings/losses in the total.
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Return ALL pages of this form, even if some sections are left blank.

The balance of each fund you indicate must be large enough to cover the amount of excess. In the event that one or more funds don't have a sufficient balance, be sure to make a secondary holding designation in Section 5.

Holdings you're removing the excess from

IRA/ESA holding excess to be removed from	Fund number or ticker symbol	Amount \$
IRA/ESA holding excess to be removed from	Fund number or ticker symbol	Amount \$
IRA/ESA holding excess to be removed from	Fund number or ticker symbol	Amount \$
IRA/ESA holding excess to be removed from	Fund number or ticker symbol	Amount \$
IRA/ESA holding excess to be removed from	Fund number or ticker symbol	Amount \$

Important: Excess contributions can only transfer between accounts on the same platform. For example, you can't remove an excess from a mutual fund account (11 digits) and transfer it to a brokerage account (8 digits).

Receiving account number (where your excess is going)

Account number

Option B. Send the distribution via check or directly to a bank account I have on file. Check only one box below and provide the required information.

Send via check to address on record.

Owners of brokerage accounts (8 digits): Don't provide any fund names in the table below. Your excess contribution will be removed from your settlement vehicle. If you don't have enough money in your settlement vehicle to cover the amount, your request can't be completed.

Owners of mutual fund accounts (11 digits): List the holdings you're removing the excess from in the table below.

Fund number	Account number	Amount \$
Fund number	Account number	Amount \$
Fund number	Account number	Amount \$
Fund number	Account number	Amount \$
Fund number	Account number	Amount \$

Send directly to my bank account on file—only available for brokerage accounts.

Owners of mutual fund accounts (11 digits): This option isn't available for mutual fund accounts. If you select this option for a mutual fund account, you'll receive a check delivered to your address of record for the amount of your distribution.

Owners of brokerage accounts (8 digits): Your excess contribution will be removed from your settlement vehicle. If you don't have enough money in your settlement vehicle to cover the amount, your request can't be completed.

Bank name	Account type Savings Checking	Last four digits of bank account number
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5. Secondary holding designation *Required*

Important: If you selected **Option A** or **Option B** for your mutual fund account or **Option A** for your brokerage account, be aware that one or more of your holdings provided in Section 4 may have an insufficient balance to cover the excess amount as a result of market fluctuations. Please designate a secondary holding below.

You MUST provide this information. >

Fund number or ticker symbol *must be from the same account you're removing the excess from*

6. Income tax withholding election for IRAs *Required*

- Regardless of your withholding election, you're responsible for paying any tax due on the taxable (earnings) portion of your distribution. If your account has no taxable earnings, Vanguard won't withhold federal or state income tax from your distribution.
- If you're removing the excess contribution *after* the correction deadline, earnings aren't removed. Vanguard won't withhold any taxes from your distribution, so skip to Section 7.
- If you're moving securities in kind from a brokerage account, withholding on earnings will be paid from your settlement vehicle. If you selected check or bank transfer, the earnings distribution will decrease by the amount of taxes withheld.

Example:

You have \$20 in earnings and you request to withhold 10% for federal and state taxes from your 8-digit brokerage account.

Amount of earnings:	\$20.00
10% federal withholding:	2.00
10% state withholding:	2.00

Result: You'll need an additional \$4.00 in your settlement vehicle to cover the withholding amounts.

- If you're removing the excess contribution from your settlement vehicle or any holdings in a Vanguard mutual fund account, the earnings distribution will decrease by the amount of taxes withheld.
- If you're removing the excess from a mutual fund account, withholding on earnings will be paid from the funds you select. If you chose to take a distribution by check, the total will decrease by the amount of taxes withheld.
- 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.
- Your withholding for federal and state taxes, when combined, can't exceed 99% of your distribution.
- Vanguard won't withhold any federal or state taxes if you're removing the excess contribution from an ESA. Skip to Section 7.

Return ALL pages of this form, even if some sections are left blank.

Federal income tax withholding (for attributed IRA excess earnings only)

Federal taxes must be withheld at the minimum rate of 10% unless you provide a different rate on the attached IRS Form W-4R. If you complete and return the IRS Form W-4R, we will apply the tax withholding rate specified on the form only to this transaction.

Special rules for addresses outside the U.S.

If your account is registered to an address outside the U.S. or your payment is being directed outside the U.S., we're required to presume your tax status to be foreign and withhold 30% federal income tax from your distribution *unless* one of the following applies:

- **You're a U.S. person (including a resident alien) and we have a valid IRS Form W-9 on file at the time of the distribution.** We're required to withhold 10% federal income tax from your distribution. *You can't elect out of federal income tax withholding for distributions delivered outside the U.S.*
- **You're not a U.S. person and we have on file at the time of the distribution a valid IRS Form W-8BEN on which you've claimed tax treaty benefits.** If you're eligible for a reduced withholding rate based on a tax treaty your country has with the U.S., you may claim the reduced rate by completing Form W-8BEN, including the section titled "Claim of Tax Treaty Benefits," and providing either your U.S. taxpayer identification number (TIN) or your foreign TIN. If your claim is valid, the reduced rate will be applied.

If you have an address outside the U.S. and aren't sure whether we have a Form W-9 or W-8BEN on file for your account, please call us. We'll provide you with further instructions for completing either a paper Form W-9 or an electronic Form W-8BEN.

State income tax withholding (for attributed IRA excess earnings only)

To determine the tax withholding requirements for your state, go to vanguard.com/pdf/sawhtc.pdf. If your state is not listed, you may skip to Section 7.

- Vanguard will apply withholding for your state as you instruct below. If your election doesn't meet your state's requirements, we'll withhold your state's minimum.
- We'll use your street (not mailing, if different) address of record to determine state withholding requirements. If the state listed on your account isn't your legal state of residence, you'll need to update that information online or by phone prior to submitting this form.
- If you have questions regarding state withholding, contact your tax advisor or your state's taxing authority.

Check one.

Don't withhold state income tax from earnings on excess contributions.		
Withhold this amount from earnings on excess contributions:	%	or \$

7. Authorization of account owner *Required*

You must sign below with today's date. However, please read the reminders below and review the checklist on the next page before signing.

Sign with today's date here. If the IRA or ESA owner is a minor, a legal guardian or custodian must sign.

I authorize The Vanguard Group, Inc., or Vanguard Brokerage Services (collectively, "Vanguard") to remove an excess contribution according to the terms and conditions set forth in this IRA and ESA Excess Contribution Removal Form. I certify that all the information provided on this form is correct.

Signature of account owner or custodian X	Today's date <i>mm dd yyyy</i> M M - D D - Y Y Y Y
Print name	

Important: If you're removing the excess contribution from your settlement vehicle, you must have enough money in that fund or your request can't be completed. To transfer assets to your settlement vehicle, log on to your account at vanguard.com or call us if you need help.

Making trades: Please hold off on making any trades in your IRA or ESA until your excess removal is complete. For brokerage accounts, if you have any open orders on holdings you want to remove the excess from, we'll cancel those orders before removing the assets. Once the excess removal is complete, you may contact us to reenter the orders. If there's a debit balance in your brokerage IRA, your excess removal may be delayed.

Earnings/Losses: Any earnings/losses attributable to your excess contribution will be removed proportionately across all holdings you indicate.

Brokerage accounts: On a partial in-kind removal from a brokerage account, the value of any holdings will be determined by the previous day's closing prices.

When removing 100% of your account in kind as excess, the value of any holdings will be determined by the current day's closing prices.

Mutual fund accounts: All excess removals from Vanguard mutual fund accounts will be determined by the current day's trading prices.

You must sign above.

Reminders

To prevent any unintended delays to your request, please review this checklist to make sure you didn't miss any required information.

Section 1. Account owner information

Provide all requested information.

Section 2. Type of account and excess amount

Provide your account type and number, excess amount, and the tax year of your contribution.

Section 3. Did your excess contribution occur at Vanguard?

Complete this section if your excess contribution didn't occur at Vanguard. If it did occur at Vanguard, check **Yes** and skip to the next section.

Section 4. Distribution instructions

Select one option for distribution and verify that the option you choose is available for your account type.

- **Mutual fund accounts (11 digits):** in-kind transfer or check to your address on file.
- **Brokerage accounts (8 digits):** in-kind transfer, check to your address on file, or distribution to your bank on file.

For check or bank-on-file distributions, you must have a large enough balance in your settlement vehicle to cover the transaction.

Note: You can't use this form to sell a nonsettlement fund holding in your 8-digit brokerage account.

Section 5. Secondary holding designation

Provide the fund number or ticker symbol of the holding you want to designate as your backup.

Section 6. Income tax withholding election for IRAs

Verify that you have enough money in your account to cover the withholding.

Section 7. Authorization of account owner

Sign the form and enter today's date.

Brokerage assets are held by Vanguard Brokerage Services, a division of Vanguard Marketing Corporation, member FINRA and SIPC. Vanguard funds not held in a brokerage account are held by The Vanguard Group, Inc., and are not protected by SIPC.

1a First name and middle initial	Last name	1b Social security number
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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	%
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Sign Here	Your signature (This form is not valid unless you sign it.) _____	Date _____
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General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.

Purpose of form. Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See 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.

2024 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%
14,600	10%	29,200	10%	21,900	10%
26,200	12%	52,400	12%	38,450	12%
61,750	22%	123,500	22%	85,000	22%
115,125	24%	230,250	24%	122,400	24%
206,550	32%	413,100	32%	213,850	32%
258,325	35%	516,650	35%	265,600	35%
623,950*	37%	760,400	37%	631,250	37%

* If married filing separately, use \$380,200 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 2024, 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;
- Generally, 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 \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, 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 \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700, is

greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter "13" 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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