



# Withholding Notice and Election

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Use this form to make or change your federal withholding election when you want to receive a distribution (withdrawal) from your STRATA Trust Company ("STRATA") IRA.

Please read this form completely. *If you are a nonresident alien, do not complete this form.* Nonresident aliens must complete and submit IRS Form W8-BEN.

## Withholding Notice Information

As your IRA custodian, STRATA is required by federal income tax regulations to provide you with the notice regarding your IRA with our organization from which you are receiving payments. Any distributions you receive from an IRA are subject to federal income tax withholding unless you exercise your right and elect not to have withholding apply such as if you have:

- Previously elected not to have federal income tax withholding apply to distributions you receive from your IRA.
- Previously elected to have federal income tax withholding apply to distributions at a designated percentage.
- Elected to have additional federal income tax withheld from each distribution.
- Previously elected to have a designated percentage of state income tax withheld from each distribution you receive.

**Your election to have withholding apply or to waive withholding stays in effect until you change it.** You may change or revoke your election at any time and as often as you wish by making a new withholding election. You must understand that you may incur tax penalties under the estimated tax payments rules if your payments of the estimated tax and withholding are insufficient.

If you want your election to remain unchanged, you do not need to do anything at this time. However, if you wish to change or revoke your previous election, please complete this form and mark your changes in Sections 2 and 3.

Section 1		Account Information			
Accountholder Name		Account Number			
Social Security Number (Last 4 Digits Only)	Daytime Phone	Birthdate		Email	
Address of Record					
City		State		Zip	
Account Type: <input type="checkbox"/> Traditional <input type="checkbox"/> Roth <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE		Domicile Tax State for State Withholding		State	

**Client Services** 866.928.9394 | [Service@StrataTrust.com](mailto:Service@StrataTrust.com) | Online: [www.StrataTrust.com/Service-Request](http://www.StrataTrust.com/Service-Request)



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## Section 2

### Federal Tax Withholding Election and Information

**If withholding is requested, there must be sufficient cash in your account to remit this withholding amount along with the associated withholding fee.**

If you do not choose an election, we are required to withhold federal taxes at a flat 10% rate. We will not reverse any federal withholding in the event you neglect to make an election. See *IRS Publication 505: Tax Withholding and Estimated Tax* available on the IRS website, [www.irs.gov](http://www.irs.gov).

**Withholding Notice Information** (Section references are to the Internal Revenue Code):

- **Basic Information.** Generally, federal income tax withholding applies to payments made from pensions, profit sharing, stock bonuses, annuities, certain deferred compensation plans, IRAs, and commercial annuities.
- **Purpose of Form W-4R.** Unless you elect otherwise, federal income tax will be withheld from payments from IRAs. You can use IRS Form W-4R/OMB NO. 1545-0074 DEPT. OF TREASURY, INTERNAL REVENUE SERVICE, or a substitute form, such as that contained on this form furnished by STRATA, to instruct STRATA to withhold no tax from your IRA payments or to change previous elections for periodic payments.
- **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 in Section 4 below. 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. 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 possessions.
- **More Withholding.** If you want more than the default rate withheld from your payment, you may enter a higher rate in the appropriate area below.
- **Less Withholding (Nonperiodic Payments Only).** Where permitted, you may enter a lower rate within the federal withholding section (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”. For more information, please see Publication 505, *Tax Withholding and Estimated Tax*, and Publication 515, *Withhold of Tax on Nonresident 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-4R or substitute version which is part of this form.
- **Statement of Income Tax Withheld from Your IRA.** By January 31 of next year, you will receive IRS Form 1099-R from STRATA showing the total amount of your IRA payments and the total federal income tax withheld during the year. Copies of IRS Form W-4R will not be sent to the IRS by STRATA.

I acknowledge that I have read and understand the Withholding Notice Information above and that STRATA is not responsible for determining the appropriateness of the withholding election. I also understand that my federal withholding election is applicable to any subsequent scheduled distributions until I revoke the election under the procedure established by STRATA.

**Federal Withholding Election** (Fee applies, see STRATA's [IRA Fee Schedule](#).)

Line 3 - See Appendix A *Marginal Rate Tables*, prior to making a selection for an electronic substitute for IRS Form W-4R to help you select the appropriate withholding rate.

<input type="checkbox"/>	(1) I elect <u>NOT</u> to have federal income tax withheld.
<input type="checkbox"/>	(2) I elect to have federal income tax withheld at a flat 10% rate.
<input type="checkbox"/>	(3) I elect to have federal income tax withheld at a _____% rate. The listed election percentage may be any whole percentage from 1-100. Any fractional percentage listed will be rounded up to the next whole number percentage.

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## Section 3

### State Tax Withholding Election and Information

**If withholding is requested, there must be sufficient cash in your account to remit this withholding amount along with the associated withholding fee.** If you live in a voluntary state, you must provide a specific amount or percentage or elect NOT to have state income tax withheld.

Failure to make a selection when a federal withholding amount has been chosen will result in the minimum amount being withheld as is applicable for your listed state of residence

#### State Withholding Election (Fee applies, see STRATA's IRA Fee Schedule.)

Line 3 – If applicable, see Appendix B *State Income Tax Information and Withholding Information* prior to making your selection to help you select the appropriate withholding rate.

<input type="checkbox"/>	(1) I elect <u>NOT</u> to have state income tax withheld.
<input type="checkbox"/>	(2) I elect to have state income tax withheld per the attached State Income Tax and Withholding Information sheet. <b>If you live in a voluntary state, you must provide a specific amount or percentage below or select not to elect.</b>
<input type="checkbox"/>	(3) I elect to have state income tax withheld at a _____ % rate, which is more than the listed minimum.

## Section 4

### Terms and Conditions

Please contact your tax professional with any questions regarding the possible tax consequences of a distribution.

By signing this form, I acknowledge that I have read and understand the **Withholding Notice Information** and that STRATA is not responsible for determining the appropriateness of the withholding election.

I also understand that my federal withholding election is applicable to any subsequent scheduled distributions until I revoke the election under the procedure established by STRATA.

STRATA may rely on the certification without further investigation or inquiry and shall incur no liability for this distribution request or its processing.



Accountholder Signature

Date

Print Name

### Form Submission Options

• Fax: 512.495.9554	• US Mail: PO Box 23149, Waco, TX 76702
• Email: <a href="mailto:Service@StrataTrust.com">Service@StrataTrust.com</a>	• Overnight: 7901 Woodway Drive, Waco, TX 76712

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## Marginal Rate Tables

### APPENDIX A: 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 the instructions below 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%	24,100	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.

**Suggestion for determining withholding.** Consider using the Marginal Rate Tables 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 of the IRS W-4R form or Line 3 of the substitute W-4R form contained in the *Federal Withholding Election* sections within STRATA's forms (see Example 1).

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 of IRS W-4R form or Line 3 of the substitute W-4R form contained in the *Federal Withholding Election* sections within STRATA's forms. (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 of IRS W-4R form or

Line 3 of the substitute W-4R form contained in the *Federal Withholding Election* sections within STRATA's forms.

**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%.

**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 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).

For more information on W-4R or form substitutes visit IRS.gov.

## APPENDIX B: STATE INCOME TAX AND WITHHOLDING INFORMATION

Elections regarding dollar amounts and specific percentages may be made for residents of some states by completing the appropriate section of the distribution form. Certain states will require a minimum percentage. The minimum state-required amount will be withheld when applicable. All state withholding amounts will be rounded up to the nearest whole dollar.

Rates are subject to change without notice.

State of Residence	State Income Tax Withholding Information
AK, FL, HI, NH, NV, SD, TN, TX, WA, WY	No state income tax withheld.
AL, AZ, CO, DC*, GA, ID, IL, IN, KY, LA*, MD, MS*, MT, ND, NJ, NM, NY*, OH, PA, RI, SC, UT*, VA, WI, WV	State income withholding tax is voluntary. A specific withholding percentage must be provided if withholding is elected. Please contact your tax professional with additional withholding questions.
IA, MI, OK	<p>State income tax withholding is required when <b>federal</b> withholding is elected.</p> <ul style="list-style-type: none"> <li>IA: 5.00% of the distribution amount</li> <li>MI: 4.25% of the distribution amount</li> <li>OK: 4.75% of the distribution amount</li> </ul>
ME, NE	<p>State income tax withholding is required when <b>federal</b> withholding is elected, unless opted out specifically by the client.</p> <ul style="list-style-type: none"> <li>ME: 5.00% of the distribution amount</li> <li>NE: 5.00% of the distribution amount</li> </ul>
CT, DE*, VT	<p>State income tax withholding is required regardless of <b>federal</b> withholding election.</p> <ul style="list-style-type: none"> <li>CT: 6.99% of the distribution amount</li> <li>DE: 5.00% of the distribution amount if federal withholding is elected. If NO federal withholding is elected, 5.00% or more may be withheld.</li> <li>VT: 30.00% of the federal withholding amount</li> </ul>
AR, CA, KS, MA, MN, MO, NC, OR	<p>State income tax withholding is required regardless of <b>federal</b> withholding election, unless opted out specifically by the client.</p> <ul style="list-style-type: none"> <li>AR: 3.00% of the distribution amount</li> <li>CA: 10.00% of the <b>federal</b> withholding amount</li> <li>KS: 5.00% of the distribution amount</li> <li>MA: 5.00% of the distribution amount</li> <li>MN: 6.25% of the distribution amount</li> <li>MO: 4.80% of the distribution amount</li> <li>NC: 4.00% of the distribution amount</li> <li>OR: 8.00% of the distribution amount</li> </ul>
<b>*Special Circumstances</b>	<ul style="list-style-type: none"> <li>DC: 10.75% state withholding required only if requesting a total distribution, unless opted out, specifically by the client.</li> <li>DE: Can only opt out of <b>federal</b> withholding, not state withholding</li> <li>NY: 0% of the distribution amount</li> <li>LA: Up to 4.80% of the distribution amount when state withholding is elected.</li> <li>MS: 4.70% state withholding required only if an "early" or "excess" distribution is requested</li> <li>UT: 4.55% minimum of the distribution amount when the state withholding is elected.</li> </ul>