



Self Directed IRA

S E R V I C E S I N C

A subsidiary of Horizon Bank

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Withholding Notice and Election

For Traditional, Roth, SEP or SIMPLE IRAs

Use this form to make or change your federal withholding election on your Traditional, Roth, SEP or SIMPLE IRA when you want to receive a distribution (withdrawal) from your Self Directed IRA Services, Inc. ("SDIRA Services") Traditional, Roth, SEP or SIMPLE IRA.

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Accountholder Information

Accountholder Name		Account Number	
Address			
City		State	Zip
Social Security Number		Birthdate	
Daytime Phone		Email Address	
Account Type <input type="checkbox"/> Traditional <input type="checkbox"/> Roth <input type="checkbox"/> SEP <input type="checkbox"/> SIMPLE			

Withholding Notice

As your IRA custodian, Self Directed IRA Services, Inc. ("SDIRA Services") 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.

- You have previously elected not to have Federal income tax withholding apply to distributions you receive from your IRA.
- You have previously elected to have Federal income tax withholding apply to distributions at a rate of _____ %.
- You have also elected to have \$ _____ of additional Federal income tax withheld from each distribution.
- You have previously elected to have _____ % 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 the appropriate election below, sign and date this form, and return it to us. If you wish, you may keep a copy for your records.

Please read this form completely. To change your withholding election, complete Option One or Option Two and sign in the Signature section below. If you are a nonresident alien, do not complete this form. Nonresident aliens must complete and submit IRS Form W8-BEN.

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IRA Holder Withholding Election

OPTION ONE **Elect Federal Withholding** (Form W-4/OMB No. 1545-0074)

- Must complete one if Option One selected.
- Withhold Federal income tax at the rate of _____% (not less than 10%) from each amount withdrawn.
 - Withhold additional Federal income tax of \$ _____.
 - Withhold state income tax at a rate of _____%.

OPTION TWO Waive Federal Withholding (Form W-4/OMB No. 1545-0074)

Effective _____, I elect not to have Federal income tax withheld.

I understand that I am still liable for the payment of Federal income tax on the amount received.

I also understand that I may be subject to Federal income tax penalties under the estimated tax payment rules if my payments of the estimated tax and withholding are insufficient.

Withholding Notice Information:

Basic Information About Withholding from Pensions and Annuities. Generally, Federal income tax withholding applies to payments made from pension, profit sharing, stock bonus, annuity and certain deferred compensation plans, IRAs and commercial annuities.

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 Self Directed IRA Services, Inc. ("SDIRA Services"), to instruct SDIRA Services to withhold no tax from your IRA payments (or to revoke this election). This substitute form should be used only for distributions from IRAs which are payable upon demand.

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

You can elect to have no income tax withheld from a nonperiodic payment (IRA payment) by filing IRS Form W-4P or a substitute form with SDIRA Services and checking the appropriate box on that form. Your election remains 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 of the U.S. or its possessions. Distributions to a nonresident alien are generally subject to a tax withholding rate of 30 percent. A reduced withholding rate, including exemption, may apply if there is a tax treaty between the nonresident alien's country of residence and the United States, and the nonresident 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, *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-4P.

Revoking the Exemption from Withholding. If you want to revoke your previously filed exemption from withholding, file another IRS Form W-4P with SDIRA Services 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 SDIRA Services 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 SDIRA Services.

3 Signature Accountholder must sign and date below.

Accountholder or
Beneficiary Signature _____

Date _____

4 Send your completed form to us for processing.

Mail



Self Directed IRA Services, Inc.
P.O. Box 685133
Austin, TX 78768

Physical Delivery



Self Directed IRA Services, Inc.
600 Congress Avenue, Suite 400
Austin, TX 78701

Fax



Fax to 512.495.9554
Attn: Client Services