



**Section Eight: Distribution Method** (Note: Distributions are processed on the 1st business day of the month.)

**To SchoolsFirst FCU Membership:** Member Number: \_\_\_\_\_ Share ID: \_\_\_\_\_

**ACH to a non-SchoolsFirst FCU account:**

Financial Institution Name: \_\_\_\_\_ City and State: \_\_\_\_\_

Account Holder Name: \_\_\_\_\_

Account Holder Name: \_\_\_\_\_

Account Number: \_\_\_\_\_ 9 Digit Routing Number: \_\_\_\_\_  Checking  Savings

**Check** Payable to: \_\_\_\_\_

Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

**Important Details**

- Please allow up to 30 days for your automatic periodic distribution request to be processed.
- Distributions are processed on the 1st business day of the month.
- If the transaction date occurs on a non-business day, distributions will be processed on the following business day with the exception of ACH entries. ACH requests will be disbursed two days prior to the 1st day of the month.
- If no start date is entered, the first automatic periodic distribution will occur on the first business day of the month and will occur on the first day of the frequency you designate, until instructions are updated. (e.g. If you designate a quarterly schedule but no start date, and your periodic start date is April 1st, your next automatic distribution would occur on July 1st.)
- Under certain circumstances SchoolsFirst Federal Credit Union may initiate adjustments for any duplicate or erroneous entries made in error to the account indicated above. You agree to allow SchoolsFirst Federal Credit Union to process such entries.

**Section Nine: Federal and State Withholding Election(s)**

Select one of the options below:

Note: Federal income tax withholding must be a whole number, minimum of 10%, and not more than 99%.

California income tax withholding must be a whole number, minimum of 1%.

SchoolsFirst FCU only remits state income tax withholding for California, contact a tax advisor for further information concerning your state income tax.

**Do Not** withhold federal or state income tax from this distribution.

**Do Not** withhold Federal income tax and withhold \_\_\_\_\_% CA State income tax from this distribution.

**Do** withhold \_\_\_\_\_% Federal and \_\_\_\_\_% CA State income tax from this distribution.

**Section Ten: Participant Signature**

I certify that I am the proper party to receive payment(s) from this IRA, and all information provided by me is true and accurate. I acknowledge that I have read the Notice of Withholding on the third page of this form and have completed the Income Tax Withholding Election above. I further certify that no tax advice has been given to me by the Custodian, that distributions (except certain transfers) are reported to the IRS, and all decisions regarding this distribution are my own. I expressly assume the responsibility for any consequences which may arise from this distribution and I agree that the Custodian shall in no way be responsible for those consequences.

\_\_\_\_\_  
 Participant/Beneficiary or Authorized Legal Representative Signature

\_\_\_\_\_  
 Date

**Section Eleven: Witnessed and Accepted by SchoolsFirst FCU as Agent for Custodian By:**

| SchoolsFirst FCU Representative Name | SchoolsFirst FCU Representative Signature | Date | Representative User ID |
|--------------------------------------|---|------|------------------------|
|                                      |   |      |                        |

For questions contact us at 800.462.8328

Fax to: 714.258.4262

OR

Mail to: **SchoolsFirst FCU**  
**Attn: Member Retirement Services**  
**P.O. Box 11547**  
**Santa Ana, CA 92711-9756**

**Rules and Conditions Applicable To IRA Required Minimum Distributions (RMDs)**

*The term IRA will be used below to mean Traditional IRA, unless otherwise specified.*

**GENERAL INFORMATION**

You are required to take an RMD from your IRA by April 1, of the year following the year you attain age 70 ½ (required beginning date) and the end of each year thereafter. The RMD for any taxable year is equal to the amount obtained by dividing the account balance at the end of the preceding year by the applicable distribution period. You are responsible for taking the annual RMD upon reaching your required beginning date. You may have to pay the IRS a tax equal to 50% of an RMD you fail to withdraw in a timely manner. Generally speaking, the RMD is calculated by dividing the account balance by the applicable distribution period.

**Account Balance**

The account balance is the balance of the IRA on December 31 of the year prior to the year for which a distribution is required. Such balance is adjusted by including the following items:

- Add to the receiving IRA any outstanding rollovers, which are distributions taken within the last 60 days of a year and rolled over after the first of the following year.
- Add to the receiving IRA any outstanding transfers, which are transfers not received in the same calendar year as they were sent from the transfer or IRA.
- If a conversion of 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.

**RMD Calculation Applicable Distribution Period:**

The same uniform distribution period will apply for all individuals of the same age. This is determined by using the uniform lifetime table provided by the IRS, which is equal to the joint life expectancy of an individual and a beneficiary exactly 10 years younger, regardless of whether a beneficiary is named. An exception applies if the sole beneficiary for the entire distribution calendar year is your spouse, and the spouse is more than 10 years younger than you. In this case, you are permitted to use the longer distribution period measured by the joint life expectancy of you and your spouse recalculated each year. For RMD purposes, recalculation means using the attained age of the IRA holder and his or her spouse beneficiary in the distribution year, referring to the joint and last survivor table to find a new life expectancy figure each year. Nonrecalculation means determining the life expectancy figure for the first distribution year and subtracting one from it in each subsequent year.

**Post-Death Distributions**

**Nonspouse Beneficiary or Spouse is Not the Sole Beneficiary:** For years following your death, distributions are based on your beneficiary's remaining life expectancy, determined using the age of your beneficiary in the year following the year of your death, nonrecalculated. If you die after your required beginning date, your beneficiary must take payments over the longer of your beneficiary's nonrecalculated single life expectancy beginning in the year following the year of your death, or your nonrecalculated life expectancy beginning in the year of your death.

**Spouse as Sole Beneficiary:** If your spouse is your sole beneficiary, the distribution period is determined on your spouse's recalculated life expectancy while alive, and is based on your spouse's nonrecalculated life expectancy, fixed in the year of your spouse's death, for years following the year of your spouse's death,

**No Beneficiary or Beneficiary with No Life Expectancy:** If no designated beneficiary remains as of September 30 of the year following the year of your death, then distributions are based on your life expectancy in the year of death, nonrecalculated. If you die before your required beginning date and there is no designated beneficiary remaining as of September 30 of the year following the year of death, distributions must be taken in accordance with the five-year rule.

**Withholding Notice Information:** Basic Information about Withholding From Pensions and Annuities Generally, Federal income tax withholding applies to payments made from pension, profit sharing, stockbonus, 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 Individual Retirement Accounts (IRAs). You can use Form W-4P, or a substitute form, such as that contained on this form, furnished by the Custodian, to instruct your Custodian to withhold no tax from your IRA payments (or 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 percent. You can elect to have no income tax withheld from a nonperiodic payment (IRA payment) by filing Form W-4P or a substitute form with the 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 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, Withholding of Tax on Nonresident Aliens and Foreign Entities, available from the IRS Website. *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 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 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 Custodian.

**Signatures:** Your signature is required to certify that the amount you have provided is true and correct and that you are aware of all the circumstances affecting this IRA withdrawal.

**For questions contact us at 800.462.8328**

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