TRADITIONAL IRA WITHDRAWAL INSTRUCTION (FORM 2306T)

Please Print or Type

___ ___ ___ ___ ___
CUID **(Credit union will complete.)**

___ ___ ___ - ___ ___ - ___ ___ ___ ___ - ___ ___
Social Security Number IRA Suffix

$____________________
Total Withdrawal Amount

____
Credit Union Name

____
IRA Owner's Name (First, Initial, Last)

____
Account Number

____
Date of Withdrawal (MM/DD/YYYY)

WITHDRAWAL REASON

Check only one of the numbered boxes. Also check any of the applicable boxes appearing below the numbered box that you check. See the reverse side for more information. Complete the Federal Withholding Election section above the signature line if you check any box other than 6.

Withdrawal of Contributions
Also check a lettered box under "Additional Withdrawal Details" if you check box 1, 2, 3, or 4.

☐ **1. Withdrawal in the same year as the contribution and before** the early withdrawal deadline.

$ ____________________
Income Attributable to Withdrawn Contribution

☐ **2. Withdrawal in the year after the contribution and before** the early withdrawal deadline.

$ ____________________
Income Attributable to Withdrawn Contribution

☐ **3. Revocation** of IRA funded with a regular contribution.

$ ____________________
Income Attributable to Withdrawn Contribution

☐ **4. Revocation** of IRA funded with a rollover, direct transfer, direct rollover, or SEP contribution.

Additional Withdrawal Details
If you checked box 1, 2, 3, or 4, then also check one of the following lettered boxes.

- ☐ **a. By a beneficiary** following the death of the original owner. Sign on the IRA owner's signature line.

____
Beneficiary's Name

___ ___ ___ - ___ ___ - ___ ___ ___ ___
Beneficiary's Social Security Number

- ☐ **b. Age 59½ or older**.
- ☐ **c. Before age 59½**.

☐ **5. Excess contribution withdrawn after** the early withdrawal deadline.

Direct Transfers (Check will be payable to the institution receiving the funds.)
Also fill in the blank below box 8 if you check box 6, 7, or 8.

☐ **6. To a traditional IRA.** (For a transfer to an IRA owned by someone other than the original owner, also check box a, b, or c and write the name of the new owner on the blank line.)

- ☐ a. **To former spouse's* IRA** due to divorce.
- ☐ b. **To surviving spouse's* IRA** after owner's death.
- ☐ c. **To IRA in name of deceased owner** for a beneficiary.*

*Enter Name:____________________

☐ **7. To my qualified retirement plan (QRP).** (IRS code G.)

☐ **8. To my Roth IRA.** (IRS code 2 if owner is under 59½. IRS code 7 if owner is 59½ or older.)

____
If You Checked Box 6, 7, or 8, Name of the Institution Receiving the Funds

If you checked box 6, 7, or 8, you must check the classification of the institution named and the type of investment into which the funds will be invested:

Institution – ☐ 1. Bank ☐ 2. Insurance Co. ☐ 3. Broker ☐ 4. Credit Union ☐ 5. Other

Investment – ☐ 1. Stock/Bonds ☐ 2. Deposit/CD ☐ 3. Annuity ☐ 4. Mutual Fund ☐ 5. Other

Other Withdrawals
Note: This includes a withdrawal that you may roll over to a traditional IRA, to a Roth IRA, or to a qualified retirement plan.

☐ **9. After reaching age 59½** (IRS code 7).
☐ **10. While disabled** and before age 59½ (IRS code 3).
☐ **11. As a result of a federal tax levy** and before age 59½ (IRS code 2).
☐ **12. Before age 59½** with no disability or federal tax levy (IRS code 1).
☐ **13. By a beneficiary** following the death of the original owner. Sign on the IRA owner's signature line (IRS code 4).

Beneficiary's Name ____________________

Beneficiary's Social Security Number ___ ___ ___ - ___ ___ - ___ ___ ___ ___

TYPE OF WITHDRAWAL & STATUS AFTER WITHDRAWAL

Check only one:
☐ 1. **PARTIAL WITHDRAWAL -** There is still money in this account.
☐ 2. **COMPLETE WITHDRAWAL -** There will be no money (including dividends) in this account, and this account will remain open.
☐ 3. **COMPLETE WITHDRAWAL AND CLOSE -** There will be no money in this account, and this account will be closed.

PAYMENT METHOD

Check only one:
☐ **1.** I want to receive this payment by check/share draft.
☐ **2.** Deposit this payment directly into my account at the credit union. Account # ____________________
☐ **3.** DIRECT TRANSFER - Send this payment directly to the receiving institution named above.

FEDERAL WITHHOLDING ELECTION - Complete an IRA State Income Tax Withholding Election (Form 2312), if applicable

Check only one: (Not necessary for a direct transfer to another traditional IRA.)
☐ **1. WITHHOLD 10%** federal income tax from this payment. Amount withheld: $ ____________________
☐ **2. DO NOT WITHHOLD 10%** federal income tax from this payment.

IRA OWNER'S SIGNATURE

I certify that the information on this form is correct, that I am the proper party to authorize this payment, and that I have received a copy of the Withholding Notice.

X ____________________
IRA Owner's Signature

____
Date (MM/DD/YYYY)

WITHHOLDING NOTICE

Payments from your IRA are subject to federal income tax withholding, unless you elect no withholding. You may change your withholding election at any time prior to your receipt of a payment. Your withholding election does not affect the amount of income tax you pay. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are insufficient. You may be required to pay estimated taxes even if you elect withholding.

SUMMARY OF RULES AFFECTING THIS FORM

There are many tax rules regulating the movement of money out of an IRA. This form contains a brief summary of some of these rules. See the Traditional IRA Disclosure Statement for a more detailed and complete discussion of these rules.

REASON FOR THE WITHDRAWAL

We are required to report the reason for your withdrawal to the IRS. We rely on the information you provide us on this form in assigning an IRS code to a withdrawal. If you are withdrawing money for more than one reason, then complete a separate form for each withdrawal reason.

Withdrawal of Contributions

For a **withdrawal** of a contribution and the income attributable to it **before the early withdrawal deadline:**

- For a withdrawal in the year in which the contribution was made, **check box 1** and write the income attributable on the blank line.
- For a withdrawal in the following year, **check box 2** and write the income attributable on the blank line.

For a **revocation** of your IRA within seven days after you received the disclosure statement:

- For a revocation of an IRA funded with a **regular contribution, check box 3** and write the amount of the income attributable on the blank line.
- For a revocation of an IRA funded with a **rollover contribution, direct transfer, direct rollover, or SEP contribution, check box 4.**

For any early withdrawal of contributions (1, 2, 3, or 4), you should also check one of the three lettered boxes under the Additional Withdrawal Details heading.

For a **withdrawal** of a contribution **after the early withdrawal deadline, check box 5.** Do not compute or withdraw the income attributable to the contribution.

Direct Transfer

A direct transfer is a transaction in which our credit union sends the money directly to the trustee or custodian of another retirement plan.

- For a direct transfer to another **traditional IRA, check box 6.** (This transaction will not be reported to the IRS, and it will not create taxable income for you.) For a direct transfer to an IRA for someone other than the original IRA owner, you should also check one of the three lettered boxes under box 6 and insert the name of the person identified with an asterisk.
- For a direct rollover to a **qualified retirement plan (QRP), check box 7.** (This transaction will be reported to the IRS, but it will not create taxable income for you.)
- For a direct transfer to your **Roth IRA, check box 8.** (This transaction will be reported to the IRS, and it will create taxable income for you.)

Other Withdrawals

Note: A withdrawal that you intend to roll over to a traditional IRA, to a Roth IRA, or to a qualified retirement plan is treated as an "other withdrawal" under the following instructions.

- For any other withdrawal by the original owner after **age 59½, check box 9.**
- For any other withdrawal by an original owner **who is disabled and before age 59½, check box 10.**
- For a withdrawal due to a **federal tax levy before age 59½, check box 11.**
- For any other withdrawal by the original owner who is **not disabled and before age 59½, check box 12.**
- For any other withdrawal by a **beneficiary, check box 13** and complete the two lines under it.

MOVING MONEY TO ANOTHER TRADITIONAL IRA

The original owner can use a direct transfer or a rollover to move the money to a traditional IRA in the owner's name. Following a divorce, the original owner's former spouse can only use a direct transfer to move the money to a traditional IRA in the former spouse's name. Following the original owner's death, the owner's spouse can use a direct transfer or a rollover to move the money to a traditional IRA in the spouse's name. Following the original owner's death, any beneficiary can only use a direct transfer to move the money to a traditional IRA in the name of the original owner for the benefit of the beneficiary. All of these transactions are tax-free.

Direct transfer. You should set up the traditional IRA that will receive the direct transfer before completing this form. After doing this, check box 6 to start a direct transfer to this other IRA. Anyone other than the original owner should check one of the three lettered boxes under box 6 and insert his or her name on the blank line.

Rollover. Only the original owner and the surviving spouse can use a rollover. Check box 9, 10, 12, or 13 when making the withdrawal, and then contribute the money to another traditional IRA within 60 days. You can only use a rollover if during the last 365 days: (1) you have not rolled over a distribution that you received from this IRA into another traditional IRA; and (2) this IRA has not received a rollover contribution from another traditional IRA.

CHANGING CONTRIBUTIONS

Before Early Withdrawal Deadline

Recharacterize the contribution. If you could have originally made a contribution to a Roth IRA, then you can recharacterize that traditional IRA contribution (and the income attributable to it) as a contribution to a Roth IRA prior to the recharacterization deadline described below. Use the Traditional IRA Contribution Recharacterization (Form 2319T) instead of this form.

Withdrawal before the early withdrawal deadline. You can withdraw any contribution before the early withdrawal deadline described here. You must also withdraw the income attributable to the contribution. You are not required to pay the excess contribution penalty tax if you make such a withdrawal. To use this approach, check box 1 or 2, and:

a. Compute the income attributable to the contribution using the IRS formula.
b. Add the income attributable to the amount of the withdrawn contribution and write the answer to this addition on the "Total Withdrawal Amount" line.
c. Write the income attributable to the contribution on the blank line.
d. Check box a, b, or c under the Additional Withdrawal Details heading.

Early withdrawal and recharacterization deadline. The deadline for recharacterizing or withdrawing a contribution is normally the deadline for filing your federal tax return for the year for which the contribution was made, including extensions. The deadline for withdrawing a regular contribution made from January 1 through the tax return deadline, which is attributed to the previous year, is the tax return deadline for the year to which the contribution was attributed. If you timely filed your federal income tax return for the year, then your deadline is automatically extended to six months after the deadline for filing your federal tax return for the year (not including other extensions). For calendar year taxpayers, this is October 15 or the next business day if October 15 is on a weekend.

Handling Excess Contributions After Early Withdrawal Deadline

Apply an excess to a future year. A traditional IRA contribution which exceeds the amount authorized by the tax laws (a true excess) is automatically attributed as a regular traditional contribution to the next available year or years if the excess is not removed. The first available year is the next year in which the total of your regular traditional and Roth contributions for that year are less than the annual contribution limit for that year. If the excess is not eliminated in the first available year, then the remaining excess is carried forward until it is applied to a subsequent available year. The income attributable stays in the IRA. You will be liable for a 6% tax on the amount of the excess contribution in the IRA at the end of each calendar year until the excess has been fully attributed to one or more future years. You may be required to file amended tax returns to reflect the excess contribution tax and the attribution of the contribution to a future year. To use this approach, you do NOT withdraw money from your traditional IRA, so you should NOT complete this form.

Withdrawal after the withdrawal deadline. You can withdraw an excess contribution after the withdrawal deadline without paying income tax on the amount withdrawn if you meet these tests:

- The contribution exceeded the amount you were authorized by the tax laws to contribute to a traditional IRA. (It is a true excess.)
- The total contributions to your Roth and traditional IRAs for the year did not exceed your annual contribution limit for the year.
- You did not show the excess on your income tax return you have filed, or you file an amended tax return to eliminate the excess as a contribution.

You will be liable for a 6% tax on the amount of the excess contribution in the IRA at the end of each calendar year until the excess has been removed or fully attributed to one or more future years. Check box 5 to do this.

EXCEPTIONS TO 10% EARLY DISTRIBUTION TAX

Distributions from an IRA before the owner reaches age 59½ are generally subject to a 10% early distribution tax. However, the following distributions are exceptions to the 10% tax, even though some may be reported with a code 1 on IRS Form 1099-R:

- The owner has a disability. The tax laws define disability as being unable to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment that can be expected to result in death, or to be of long continued and indefinite duration.
- First-time home buyer exception. Withdrawals up to the amount of qualified acquisition costs to buy or build the principal residence of a first-time home buyer are not subject to the 10% early distribution tax. You have a $10,000 lifetime limit on the total amount you can withdraw from traditional and Roth IRAs under this exception. The money must be used for this purpose within 120 days after you receive the withdrawal. The first-time home buyer can be you, your spouse, or a child, grandchild, or ancestor of you or your spouse. A person is a "first-time home buyer" if neither the person nor the person's spouse has had an ownership interest in a principal residence during the two-year period ending on the date of acquisition of the principal residence for which the withdrawal is being made.
- Withdrawals up to the amount of qualified higher education expenses paid during the year are not subject to the 10% early distribution tax. These expenses are the tuition, fees, books, supplies, and equipment required for enrollment or attendance at a post-secondary educational institution (a college or vocational school). These expenses must be incurred for the education of you, your spouse, your child, your grandchild, or your spouse's child or grandchild. Primary and secondary education expenses do not qualify for this exception even after the 2001 tax law changes for Coverdell Education Savings Account distributions.
- IRA distributions are exempt from the 10% early distribution tax up to the amount by which large medical expenses for the year in which the distributions are received exceed 7.5% of adjusted gross income. This exception applies whether or not you itemize income tax deductions.
- Medical insurance premiums during unemployment. If you are unemployed and have received unemployment compensation for 12 consecutive weeks under any federal or state unemployment compensation law, then withdrawals up to the amount of the medical insurance premiums you pay during the year are not subject to the 10% early distribution tax. This rule applies for the year that you receive the unemployment compensation and for the next year, except that it no longer applies to withdrawals you receive after you have become reemployed for at least 60 days. If you were self-employed, then this rule applies if you would have received unemployment compensation but for the fact that you were self-employed.
- The distribution is the result of a federal tax levy.