

Dear Client,

Our records indicate that you have a Distribution On Demand form on file with Baird for your Individual Retirement Account (IRA). This notice serves as a reminder of your right to change the current federal/state income tax withholding election you have on file with us. Please indicate your changes below and return this form\* to your Financial Advisor at the address shown on your statement.

No response is required if you choose to maintain the current withholding election on file.

Please contact your Financial Advisor with any questions about this notice.

Baird

Name \_\_\_\_\_ Social Security No. \_\_\_\_\_  
(print) (last four digits only)

Address \_\_\_\_\_

Account No. \_\_\_\_\_

- Withhold federal income tax at a rate of \_\_\_\_\_ % (not less than 10%) from the amount withdrawn.
- Withhold additional federal income tax of \$ \_\_\_\_\_.
- Withhold state income tax at a rate of \_\_\_\_\_ % from the amount withdrawn (complete only if applicable).
- No, 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 of any distributions 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.

Signature \_\_\_\_\_ Date \_\_\_\_\_

\*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 or Substitute Form**

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 this form, furnished by the Trustee or Custodian, to instruct your Trustee or Custodian not to withhold any tax from your IRA distributions. This substitute form should be used only for distributions from IRAs that are payable upon demand.

**Revoking the Exemption from Withholding**

Your election will remain in effect for any subsequent distribution unless you change or revoke it.

The election to not have income tax withheld does not apply to any payments that are delivered outside the United States or its possessions to a U.S. citizen or resident alien. Other recipients who have these payments delivered outside the United States or its possessions may choose not to have income tax withheld only if an individual completes Form W-8BEN, 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, available at irs.gov and from most IRS offices.

**Caution:** 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.

**Statement of Income Tax Withheld From Your IRA**

By January 31 of next year, you will receive a statement from your Trustee or 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 Trustee or Custodian.