ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Instructions to Participants

- Withdrawals from the 457 Deferred Compensation Plan due to financial hardship of an unforeseeable nature are allowed on a very limited basis, and **only if the application and supporting documentation demonstrate that the request meets Plan and IRS regulations.**

- An unforeseeable emergency includes the following:

  (i) A sudden and unexpected illness or accident involving you, your spouse or dependents. (Non-routine, un-reimbursed medical expenses etc.)
  (ii) The loss of property due to casualty. (Fire, flood, storm damage etc.)
  (iii) Other similar extraordinary and unforeseeable circumstances arising as a result of events beyond your control. (Un-reimbursed funeral expenses of IRS dependents, evictions and foreclosures).

- **Events that will not qualify as Unforeseeable Emergencies**: home purchase or renovation; car purchase or repairs not due to casualty; payment of tuition and related educational fees; regular monthly expenses; Federal, state or local income or property tax assessments, penalties or interest; divorce.

- The distribution will not be permitted if the financial hardship can be relieved by reimbursement or compensation by insurance, liquidation of your assets, or ceasing deferrals to the Plan.

- If your account balance is greater than $500, you must have a request for at least $500. Otherwise, the request must be for your full account balance.

- The distribution amount cannot exceed the amount necessary to meet the emergency.

- You must provide our office with supporting documentation for the amount you are requesting. **If incomplete information/documentation is provided, this application WILL NOT be approved.**

- If your distribution is approved, you are required to discontinue deferrals to your GEBCorp 457 Account. You will not be permitted to begin deferring again for six months following the date of the distribution. If your jurisdiction has specific enrollment periods for the GEBCorp 457 Plan, you must wait to begin deferring until the first enrollment period *after* the six months following the date of distribution. To begin any deferrals after this time period, you must notify your jurisdiction's payroll department.

- If your distribution is approved, please allow 15 business days to complete the process.

- All completed Unforeseeable Emergency Distribution Request Forms, supporting documentation, and Form W-4P's should be forwarded to the following:

GEBCorp
191 Peachtree Street NE, Suite 700
Atlanta, Georgia 30303
Attn: Administration
Fax: (770) 563-9356

- If you have any questions regarding Unforeseeable Emergency Distributions from your ACCG 457 Deferred Compensation Plan, please feel free to call your plan representative or Client Services (800) 736-7166.

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Application Form (Part 1)

Participant Name: ______________________________ Social Security No.: ___________________

Mailing Address: ____

____

Employer: ____

Date of Birth: ____________________________ E-Mail: _________________________

Home Phone: ____________________________ Work Phone: _________________________

A. Reason for Withdrawal. The withdrawal amount you request must be for a severe financial hardship. Indicate below the type of hardship you are experiencing (check one):

- □ A sudden and unexpected illness or accident involving you, your spouse, or your dependent (Include related Explanation of Benefits indicating amounts not covered by insurance from your insurance company).
- □ The loss of property due to a casualty or unforeseeable event. (Must include denial of insurance claim from insurer, and signed estimate for repair/replacement of loss)
- □ Other similar extraordinary and unforeseeable circumstance arising as a result of events beyond your control

Examples of the above *may* be the following:

- An unexpected illness or accident resulting in medical expenses that are not covered by insurance. Example: Non-routine, un-reimbursed medical expenses.
- Damage to your home or other property resulting from a casualty that is not covered by insurance. Example: Flood damage, storm damage.
- Another similar extraordinary and unforeseeable circumstance. Example: Un-reimbursed funeral expenses of IRS dependents; evictions; and foreclosures.

Examples of what is **Not** considered an unforeseeable are the following:

- Payment of tuition and related educational fees
- Normal monthly expenses
- Home or auto maintenance
- Purchase of a home or car
- Divorce or Child Support

Please describe the unforeseeable emergency that you are experiencing. You must submit supporting documentation of this event:

____

____

____

____

____

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Application Form (Part 2)

B. Amount of Distribution. Your distribution cannot exceed the amount necessary to resolve the emergency. You must not be able to relieve the financial hardship by any other reasonable source. A distribution is not considered necessary if the emergency can be relieved through (i) reimbursement or compensation by insurance, (ii) liquidation of assets without causing an additional hardship or (iii) by ceasing deferrals under this Plan.

The minimum amount you can withdraw is $500. If your account is less than $500 you must withdraw 100% of your account.

Please indicate the amount you need to withdraw from the Plan: $______________

C. Supporting Documentation. In order to process your request for an Unforeseeable Emergency, we will require supporting documentation for the withdrawal amount you are requesting.

Your Distribution Will Not Be Processed If Our Office Does Not Receive Documentation Supporting The Amount That You Are Requesting.

D. Form W-4P. An Unforeseeable Emergency Distribution from a 457 is not eligible to be rolled over into an Individual Retirement Account (IRA) or any other plan. Since the distribution is not eligible to be rolled over, you must complete a Form W-4P to indicate the withholding you wish to occur at the time of distribution. If you do not want any taxes withheld on your distribution, you will need to check Box 1 on the attached form. **If you do not return a signed Form W-4P with your distribution request, 10% Federal income tax will be withheld**. Your distribution is based on the Internal Revenue Service Regulations currently in effect. We advise you to consult your plan representative or tax advisor prior to taking any distribution from the Plan.

I certify that I have received a copy of the Instructions to Participants and have read and understand the above-mentioned requirements for taking a distribution due to an Unforeseeable Emergency.

Signature: ____ Date: _________________
(Participant)

* *

Pay my distribution to me in **Cash**. I realize that my distribution will be subject to 10% federal income tax withholding if my distribution exceeds $200.

If you would like your money directly deposited to your bank, please attach a voided check, and complete the next two lines.

Bank Name ____

Bank Address ____
(City) (State)

Signature: ____ Date: _________________

Return completed forms to:
GEBCorp, 191 Peachtree Street NE, Suite 700
Atlanta, Georgia 30303
Attn: Administration
FAX (770) 563-9356

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Suspension Form

By signing below I am acknowledging that if my Unforeseeable Emergency Distribution Request is approved I will NOT be able to make deferrals to my GEBCorp 457 Account until after the suspension period. After the suspension period I may start deferring to my account but it will be necessary for me to submit a Participant Deferral Form to my jurisdiction's Payroll Department in order to request that an amount be deferred into my GEBCorp 457 Account.

Participant Name: ____

Signature: ____

A Participant Deferral Form is attached for your convenience. Please indicate on this form the amount you would like to defer to your GEBCorp 457 account after the suspension period of your account. If you change your mind during the suspension, please contact our office in order to complete an updated form.

If you have any questions regarding Unforeseeable Emergency Distributions from your ACCG 457 Deferred Compensation Plan, please feel free to call your plan representative or our office (800) 736-7166.

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Participant Deferral Form

Participant Name: ____

Social Security No.: ___________________________ Employer:______________________

If your Unforeseeable Emergency Distribution Request is approved, you will not be able to make deferrals to your GEBCorp 457(b) account for six (6) months or until the first enrollment period after the six months following the date of the distribution. After the suspension period you may start deferring to your account. It is necessary for you to complete the information requested below regarding the amount you wish to defer after the suspension period.

457 Payroll Deferral Amount Change

I wish to change my deferral amount for each pay period to the following:

$ _________ or _________ %

If you choose to restart your deferrals, you must defer a minimum of $20.00 or 1% of your compensation for each payroll period, or as required by your jurisdiction.

I understand that the amount indicated above will be deducted from my payroll check after the suspension period that will occur if my unforeseeable emergency distribution request is approved.

Signature: _____________________________ Date: __________

* *

To be completed by GEBCorp

Date of Unforeseeable Emergency Distribution: ______________________________

Notified the Jurisdiction to stop Deferrals: ______________________________

Date to restart payroll Deferrals: ______________________________

Notified the Jurisdiction to start Deferrals: ______________________________

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Guidelines

Section 5.06 of the 457 Plan document, provides for "Distributions for Unforeseeable Emergencies" (commonly referred to as "hardship distributions"). The language contained in Section 5.06 is substantially the same language found in the Internal Revenue Service Regulation §1.457-6(c)* relating to these type of distributions.

In general, distributions under a 457 plan for unforeseeable emergencies are more restrictive than distributions for a hardship under a 401(k) plan primarily because any event or occurrence that was within the reasonable control of the participant will not qualify for an unforeseeable emergency distribution. In addition, the burden of showing that the participant qualifies for an unforeseeable emergency distribution rests solely with the participant.

Below is the language of Section 5.06 of the Plan along with additional discussion illustrating the issues relating to the administration of the provision by GEBCorp or the Plan Administrator.

Plan Provisions

Distributions for Unforeseeable Emergencies

Parameters of Distributions: A Participant or Beneficiary may make, on account of an unforeseeable emergency, a distribution from his Account; provided, a Participant may not withdraw less than $500 (or if less, 100% of his Account balance). For purposes of this subsection, an unforeseeable emergency is defined as a severe financial hardship as described below. A distribution based on a severe financial hardship cannot exceed the amount necessary to meet the emergency and not reasonably available from other resources of the Participant. The Plan Administrator shall make its determination as to whether a Participant has suffered an unforeseeable emergency and whether it is necessary to use a distribution from the Plan to satisfy that emergency on the basis of all relevant facts and circumstances.

Severe Financial Hardship: For purposes of the Plan, a severe financial hardship to the Participant or a Beneficiary exists if the distribution results from (i) a sudden and unexpected illness or accident of the Participant, his spouse or dependents or his Beneficiary, (ii) the loss of the Participant's or Beneficiary's property due to a casualty, or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. Examples of what are not considered to be a severe financial hardship, except in extraordinary circumstances, include the desire to purchase of a home, or the payment of tuition and related educational fees and expenses for post-secondary education for the Participant's dependents.

Necessary to Satisfy Need: A distribution will be considered as necessary to satisfy a severe financial hardship only if the emergency cannot be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship or (iii) by ceasing all deferrals under this Plan.

Source of Distribution Amounts: If the assets of the Participant's Account are invested in more than one Investment Fund, the distribution amount shall be charged pro rata against each Investment Fund.

Form of Distribution Amount: The amount of a distribution pursuant to this Section shall be paid to a Participant in a single sum cash payment as soon as administratively practicable after the Third Party Service Provider receives the Employer's authorization to make the distribution.

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Guidelines

Participant Deferral Contribution Suspensions: A Participant's Deferral Contribution shall be suspended for a period of six (6) months or until the first enrollment period *after* the six months suspension. Upon completion of the suspension period, the Participant may make a new Deferral Contribution election.

Administrative Guidelines for Distribution

General Application

This section describes:

I. Why a distribution is allowed

II. The minimum and maximum amounts allowed to be distributed

III. Who is responsible for making the determination of whether the legal and administrative requirements have been satisfied

I. Why a Distribution is Allowed

In order for a hardship distribution to be provided to a participant, four ***sequential*** requirements must be met.

- First, the participant must have experienced an "unforeseeable emergency." In general, the use of the term "emergency" describes any event or situation that warrants or requires prompt attention. Therefore, any request should likely involve some level of urgency to alleviate the situation. According to IRS regulations (§1.457-6(c)(2)(i)), an unforeseeable emergency must be defined in the 457 plan as a "severe financial hardship."
- Second, the IRS regulations (§1.457-6(c)(2)(i)) specify that a "severe financial hardship" is derived from one of only three situations or circumstances (identified under "Severe Financial Hardship" below).
- Third, even if it is determined that a severe financial hardship has occurred, any distribution is limited to such severe financial hardships that cannot be alleviated through other financial means such as disposition of other liquid assets, stopping of deferrals or reimbursement by an insurance company (§1.457-6(c)(2)(ii)).
- Fourth, once it has been determined that the unforeseeable emergency resulting in a severe financial hardship has occurred and cannot be alleviated by any other means, a distribution can be made only in an "amount reasonably needed to satisfy the emergency need" (§1.457-6(c)(2)(iii)). This indicates that the participant must provide support or evidence indicating why the amount requested is "the amount reasonably needed to satisfy the emergency need".

These three criteria, in combination, clearly indicate a stringent administrative burden on the participant and the Plan Administrator to allow or approve any unforeseeable emergency distribution.

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Guidelines

Minimum and Maximum Amount Distribution Amount

The minimum amount of $500 (or the account balance if less than $500) is an administrative guideline for two reasons: (1) if the amount necessary to meet the unforeseeable emergence is less than $500, there can be substantial doubt that the request meets the test of a "severe financial hardship" as defined in the Plan and (2) administratively, the cost of processing the hardship request is financially prohibitive without additional charges to the participant.

The maximum amount was described previously as the "amount reasonably needed to satisfy the emergency need".

Persons Responsible for Determining the Hardship

The Plan Administrator is responsible for: (1) determining if the participant has suffered an unforeseeable emergency and (2) whether a hardship distribution is necessary to satisfy the severe financial hardship created by the unforeseeable emergency. The "Plan Administrator" is defined in Article II of the Plan as the Employer or some other organization the Employer has designated in a separate services agreement.

The Administrative Services Agreement provides for the Employer to delegate to GEBCorp the responsibilities associated with determining the eligibility and amount of an unforeseeable emergency distribution. Unless the Employer expressly delegates this responsibility to GEBCorp, the Employer assumes the administrative responsibility of unforeseeable emergency distributions.

Severe Financial Hardship

Because an unforeseeable emergency must, by definition, result in a severe financial hardship, the determination of a "severe financial hardship" is perhaps the most critical component of a plan administrator's evaluation of the distribution request. This section of the 457 Plan delineates the factors that must be present in order to conclude a severe financial hardship has occurred and gives two examples from the IRS regulations (§1.457-6(c)(2)(i)) and one from an IRS private letter ruling ([Letter Ruling 9543010]) of what does **not** constitute a severe financial hardship. In addition, the IRS regulations (§1.457-6(c)(2)(i)) illustrate three examples of what might constitute a severe financial hardship.

Definition

A "severe financial hardship" may be considered to exist if it was created due to one of only three factors:

1. a sudden and unexpected illness or accident of the Participant, his spouse or dependents,
2. the loss of the Participant's property due to a casualty,
3. other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant

In general, these factors support the concept that the fundamental precept of what constitutes a severe financial hardship is based on something unexpected or unforeseeable happening that is reasonably beyond the control of the participant. Therefore, anything that could have been reasonably foreseen or reasonably within the control of the participant would not be within the definition of a severe financial hardship.

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Guidelines

Illness or Accident

The first factor relates to an illness or accident affecting the participant or his or her immediate family. It is commonly presumed that the financial hardship arises from some extraordinary expenses related to the illness or accident. The hardship, however, could arise from an unforeseeable significant loss of income that might occur due to an accident or illness that prohibits the participant (or any other immediate family member who contributes income to the family) from continuing normal employment.

Loss of Property

The second factor relates to the loss of a participant's property due to a casualty. It is commonly thought that "property" generally refers to a participant's home or other real property due to some type of natural disaster such as earthquakes, hurricanes, tornados or floods or some type of "man made" disaster such as fire or civil conflict resulting from a riot or terrorism. It could also include, however, other types of property such as personal property including automobiles, furniture, clothing and appliances that may have been lost due to a casualty.

The term "casualty" is often used in the context of the loss of human life. It's "dictionary" definition, however, is much broader: (1) anything lost or destroyed accidentally, or (2) an accident, especially a fatal or serious one, or (3) chance or accident as the basis of events.

When determining whether a severe financial hardship exists under this second factor, it is necessary to include both real and personal property and to include both the additional expenses to replace, repair or mitigate in any way the severe financial hardship and any unforeseeable significant loss of income as a result of the property casualty.

Other Event or Occurrence Beyond the Participant's Control

The third factor appears to be designed as a "catch all" to allow for circumstances not covered by the first two factors. The focus under this factor appears to be twofold: (1) any event or occurrence must be similar to the first two factors in that it was extraordinary and unforeseeable, **and** (2) that it was beyond the control of the participant. The issue with this factor is how broadly the terms "extraordinary", "unforeseeable" and "beyond the control" are interpreted by the Plan Administrator.

A narrow interpretation would be to limit this factor to only events or occurrences that are 100% out of the control of the participant. A more reasonable interpretation may be to define "beyond the control" in terms of what a normal participant would believe to be an "unplanned", "abnormal" or "not reasonably anticipated" event or occurrence. In this context, a number of events that frequently occur in society would still be considered unplanned, abnormal or not reasonably anticipated by any particular participant. Even with this broader standard, there still must be either extraordinary expenses or an unforeseeable significant loss of income associated with the event or occurrence that has created a financial emergency need.

ACCG 457 Deferred Compensation Plan
Unforeseeable Emergency Distribution Request
Guidelines

Examples

Possible examples of approved distribution requests:

- The imminent foreclosure or eviction from the participant's or beneficiary's primary residence
- The need to pay for medical expenses as well as the cost of prescription drug medicine after all deductibles and co-payments have been met
- The need to pay for the funeral expenses of a family member
- These possible approved distribution requests, found in IRS regulations, are there to give guidance; they are not considered "safe harbor" events that would automatically give rise to a distribution.

Possible examples of declined distribution requests:

- The desire to purchase a residence
- The need to send a participants' child to college.
- A divorce [Letter Ruling]

Presumably, if a participant hasn't adequately planned for these situations, he or she cannot use the expenditures for these items to demonstrate a severe financial hardship. Again, this presumes that expenditures for these items are the **only** reason for requesting the emergency distribution.

If it is determined that a participant has experienced an unforeseeable emergency that, in turn has created a severe financial hardship, the conditions have been met for eligibility **to receive** a hardship distribution. Whether a participant **will actually receive anything from his or her 457 account** is based on satisfying two additional criteria.

Alleviated or Relieved by Other Means

The third step in the process is for the Plan Administrator to determine if the participant has any other way to alleviate or relieve the severe financial hardship with other participant funds, other assets or other resources other than from his or her 457 account. The IRS regulations strongly imply that using funds from a 457 account should be the last option and that other options must be considered and used. The IRS regs (§1.457-6(c)(2)(ii)) identify three other alternatives that must be explored:

- Reimbursement or compensation by an insurance company or other third party;
- Liquidation of the participant's other assets but only to the extent that the liquidation of assets would not itself cause a severe financial hardship; and
- Temporarily or permanently ceasing deferrals under the 457 plan.

Plan fiduciaries such as the plan administrator or employer must have sufficient information such as documentation from which to make the determination if the participant has other resources to relieve the severe financial hardship.

For example, the participant should document that some or all of the amount requested has not been reimbursed or offset by insurance such as automobile, property and casualty, health, disability or by other similar sources such as social security. In addition, the participant should document or affirmatively state that he or she has no other assets that could reasonably be used or liquidated to offset some or all of the hardship amount. As indicated in the IRS regulations, the participant could avoid the liquidation of alternative assets if he or she could show that such a liquidation would, in and of itself, create another severe financial hardship. Finally, the plan administrator should determine if the participant temporarily or permanently ceased some or all of their current deferral amounts, would partially or totally relieve the severe financial hardship. Presumably, the ceasing of deferrals would then allow the participant to gather together funds **over time** to meet the emergency need. Depending on the urgency of relieving the emergency need, the ceasing of deferrals may not allow the participant to gather together a sufficient amount of funds within the needed time frame to relieve the emergency need. Presumably, the size of the hardship amount must be significantly larger than one or more payroll deferral amounts.

Necessary to Satisfy "Emergency" Need

Finally, once it has been determined that the participant does not have other resources sufficient to relieve the severe financial hardship, **the IRS regulations (§1.457-6(c)(2)(iii)) limit the actual amount the participant may receive to only the amount "necessary to satisfy the emergency need".** Because the regulations do not specify the amount as that necessary to relieve the severe financial hardship, the amount " necessary to satisfy the emergency need" could be less than that which gave rise to the severe financial hardship.

For example, the amount needed to satisfy the emergency need can be derived from either the additional expenses or lost income. The additional expenses can be determined by either receipts or estimates. Additional expenses can documented with receipts, invoices or other third party information illustrating an unpaid obligation that has arisen from an eligible unforeseen emergency event. The income or revenue loss can be determined by documents such as payroll receipts, W-2 statements, income tax returns or bank records.

The important factor under this criteria is determining what the amount of the *emergency* need is and not necessarily the amount of the total need that gave rise to the severe financial hardship. For example, while there may have been medical bills resulting from an accident or illness, what amount of those bills are to be reimbursed by one or more insurance companies. Of the amount of the medical bills not reimbursed by an insurance company what portion of that amount is the "emergency need"? Will the hospital or doctor allow the participant to make payments over time? Has the participant been sent a "collection agency" letter requiring total payment of an un-reimbursed medical bill? Documentation from the participant identifying the amount of the "emergency need" is the most helpful in determining the final amount of a distribution from his or her 457 account.

Summary

In general, it is commonly thought that hardships allowed under a 457 deferred compensation plan are more difficult to support than those under a 401(k) plan. In addition, because there are no "safe harbor" examples that would automatically qualify under the IRS regulations, the plan administrator and/or employer must determine the facts and circumstances of each unforeseeable emergency request. Such a review requires exercising prudent judgment within overall operational procedures and applying those in a consistent manner. The absence of specific guidelines, however, also appears to give the plan administrator some discretion to evaluate all the facts and circumstances related to the unforeseeable emergency or the "totality" of the unforeseeable emergency to determine if a distribution is warranted.

Form **W-4P**

Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0074

2015

Purpose. Form W-4P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W-4P to tell payers the correct amount of federal income tax to withhold from your payment(s). You also may use Form W-4P to choose (a) not to have any federal income tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution, as explained on pages 3 and 4. Your previously filed Form W-4P will remain in effect if you do not file a Form W-4P for 2015.

What do I need to do? Complete lines **A** through **G** of the **Personal Allowances Worksheet.** Use the additional worksheets on page 2 to further adjust your withholding allowances for itemized deductions, adjustments to income, any additional standard deduction, certain credits, or multiple pensions/more-than-one-income situations. If you do not want any federal income tax withheld (see *Purpose*, earlier), you can skip the worksheets and go directly to the Form W-4P below.

Sign this form. Form W-4P is not valid unless you sign it.

Future developments. The IRS has created a page on IRS.gov for information about Form W-4P and its instructions, at *www.irs.gov/w4p*. Information about any future developments affecting Form W-4P (such as legislation enacted after we release it) will be posted on that page.

Personal Allowances Worksheet (Keep for your records.)

A Enter "1" for **yourself** if no one else can claim you as a dependent . . . . **A** ______

B Enter "1" if:
- You are single and have only one pension; or
- You are married, have only one pension, and your spouse has no income subject to withholding; or
- Your income from a second pension or a job or your spouse's pension or wages (or the total of all) is $1,500 or less.

. . . . **B** ______

C Enter "1" for your **spouse.** But, you may choose to enter "-0-" if you are married and have either a spouse who has income subject to withholding or more than one source of income subject to withholding. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . **C** ______

D Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return . . . . . . **D** ______

E Enter "1" if you will file as **head of household** on your tax return . . . . **E** ______

F **Child Tax Credit** (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.
- If your total income will be less than $65,000 ($100,000 if married), enter "2" for each eligible child; then **less** "1" if you have two to four eligible children or **less** "2" if you have five or more eligible children.
- If your total income will be between $65,000 and $84,000 ($100,000 and $119,000 if married), enter "1" for each eligible child . . . . **F** ______

G Add lines A through F and enter total here. (**Note.** This may be different from the number of exemptions you claim on your tax return.) ▶ **G** ______

For accuracy, **complete all worksheets that apply.**
- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.
- If you are **single and have more than one source of income subject to withholding** or are **married and you and your spouse both have income subject to withholding** and your combined income from all sources exceeds $50,000 ($20,000 if married), see the **Multiple Pensions/More-Than-One-Income Worksheet** on page 2 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line G on line 2 of Form W-4P below.

--------------- **Separate here and give Form W-4P to the payer of your pension or annuity. Keep the top part for your records.** ---------------

Form **W-4P**

Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

▶ **For Privacy Act and Paperwork Reduction Act Notice, see page 4.**

OMB No. 1545-0074

2015

Your first name and middle initial	Last name	**Your social security number**
Home address (number and street or rural route)		Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code		

Complete the following applicable lines.

1 Check here if you **do not want any** federal income tax withheld from your pension or annuity. (Do not complete line 2 or 3.) ▶ ☐

2 Total number of allowances and marital status you are claiming for withholding from each **periodic** pension or annuity payment. (You also may designate an additional dollar amount on line 3.) . . . . ▶ ______ (Enter number of allowances.)

Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate.

3 Additional amount, if any, you want withheld from each pension or annuity payment. (**Note.** For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2.) . . . . ▶ $

Your signature ▶ **Date ▶**

Deductions and Adjustments Worksheet

Note. Use this worksheet *only* if you plan to itemize deductions or claim certain credits or adjustments to income.

1 Enter an estimate of your 2015 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 10% (7.5% if either you or your spouse was born before January 2, 1951) of your income, and miscellaneous deductions. For 2015, you may have to reduce your itemized deductions if your income is over $309,900 and you are married filing jointly or are a qualifying widow(er); $284,050 if you are head of household; $258,250 if you are single and not head of household or a qualifying widow(er); or $154,950 if you are married filing separately. See Pub. 505 for details . . . . . **1** $

2 Enter: { $12,600 if married filing jointly or qualifying widow(er); $9,250 if head of household; $6,300 if single or married filing separately } . . . . . **2** $

3 **Subtract** line 2 from line 1. If zero or less, enter "-0-" . . . . . **3** $

4 Enter an estimate of your 2015 adjustments to income and any additional standard deduction (see Pub. 505) . . . . . **4** $

5 **Add** lines 3 and 4 and enter the total. (Include any credit amounts from the *Converting Credits to Withholding Allowances for 2015 Form W-4* worksheet in Pub. 505.) . . . . . **5** $

6 Enter an estimate of your 2015 income not subject to withholding (such as dividends or interest) . . **6** $

7 **Subtract** line 6 from line 5. If zero or less, enter "-0-" . . . . . **7** $

8 **Divide** the amount on line 7 by $4,000 and enter the result here. Drop any fraction **8**

9 Enter the number from the **Personal Allowances Worksheet,** line G, page 1 . . . . . **9**

10 **Add** lines 8 and 9 and enter the total here. If you use the **Multiple Pensions/More-Than-One-Income Worksheet,** also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4P, line 2, page 1 . . . . . **10**

Multiple Pensions/More-Than-One-Income Worksheet

Note. Complete *only* if the instructions under line G, page 1, direct you here. This applies if you (and your spouse if married filing jointly) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).

1 Enter the number from line G, page 1 (or from line 10 above if you used the **Deductions and Adjustments Worksheet**) **1**

2 Find the number in **Table 1** below that applies to the **LOWEST** paying pension or job and enter it here. **However,** if you are married filing jointly and the amount from the highest paying pension or job is $65,000 or less, do not enter more than "3" **2**

3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4P, line 2, page 1. **Do not** use the rest of this worksheet **3**

Note. If line 1 is **less than** line 2, enter "-0-" on Form W-4P, line 2, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

4 Enter the number from line 2 of this worksheet **4**

5 Enter the number from line 1 of this worksheet **5**

6 **Subtract** line 5 from line 4 . . . . . **6**

7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying pension or job and enter it here **7** $

8 **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed . . **8** $

9 **Divide** line 8 by the number of pay periods remaining in 2015. For example, divide by 12 if you are paid every month and you complete this form in December 2014. Enter the result here and on Form W-4P, line 3, page 1. This is the additional amount to be withheld from each payment . . . . . **9** $

Table 1

Married Filing Jointly		All Others	
If wages from **LOWEST** paying job or pension are—	Enter on line 2 above	If wages from **LOWEST** paying job or pension are—	Enter on line 2 above
$0 - $6,000	0	$0 - $8,000	0
6,001 - 13,000	1	8,001 - 17,000	1
13,001 - 24,000	2	17,001 - 26,000	2
24,001 - 26,000	3	26,001 - 34,000	3
26,001 - 34,000	4	34,001 - 44,000	4
34,001 - 44,000	5	44,001 - 75,000	5
44,001 - 50,000	6	75,001 - 85,000	6
50,001 - 65,000	7	85,001 - 110,000	7
65,001 - 75,000	8	110,001 - 125,000	8
75,001 - 80,000	9	125,001 - 140,000	9
80,001 - 100,000	10	140,001 and over	10
100,001 - 115,000	11		
115,001 - 130,000	12		
130,001 - 140,000	13		
140,001 - 150,000	14		
150,001 and over	15		

Table 2

Married Filing Jointly		All Others	
If wages from **HIGHEST** paying job or pension are—	Enter on line 7 above	If wages from **HIGHEST** paying job or pension are—	Enter on line 7 above
$0 - $75,000	$600	$0 - $38,000	$600
75,001 - 135,000	1,000	38,001 - 83,000	1,000
135,001 - 205,000	1,120	83,001 - 180,000	1,120
205,001 - 360,000	1,320	180,001 - 395,000	1,320
360,001 - 405,000	1,400	395,001 and over	1,580
405,001 and over	1,580		

Additional Instructions

Section references are to the Internal Revenue Code.

When should I complete the form? Complete Form W-4P and give it to the payer as soon as possible. Get Pub. 505, Tax Withholding and Estimated Tax, to see how the dollar amount you are having withheld compares to your projected total federal income tax for 2015. You also may use the IRS Withholding Calculator at *www.irs.gov/individuals* for help in determining how many withholding allowances to claim on your Form W-4P.

Multiple pensions/more-than-one-income. To figure the number of allowances that you may claim, combine allowances and income subject to withholding from all sources on one worksheet. You may file a Form W-4P with each pension payer, but do not claim the same allowances more than once. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4P for the highest source of income subject to withholding and zero allowances are claimed on the others.

Other income. If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Call 1-800-TAX-FORM (1-800-829-3676) to get Form 1040-ES and Pub. 505. You also can get forms and publications at *www.irs.gov/formspubs.*

If you have income from wages, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or Form W-4P.

Note. Social security and railroad retirement payments may be includible in income. See Form W-4V, Voluntary Withholding Request, for information on voluntary withholding from these payments.

Withholding From Pensions and Annuities

Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans; from individual retirement arrangements (IRAs); and from commercial annuities. The method and rate of withholding depend on (a) the kind of payment you receive; (b) whether the payments are delivered outside the United States or its commonwealths and possessions; and (c) whether the recipient is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are nontaxable and, therefore, not subject to withholding. See page 4 for special withholding rules that apply to payments outside the United States and payments to foreign persons.

Because your tax situation may change from year to year, you may want to refigure your withholding each year. You can change the amount to be withheld by using lines 2 and 3 of Form W-4P.

Choosing not to have income tax withheld. You (or in the event of death, your beneficiary or estate) can choose not to have federal income tax withheld from your payments by using line 1 of Form W-4P. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. Enter the estate's employer identification number (EIN) in the area reserved for "Your social security number" on Form W-4P.

You may not make this choice for eligible rollover distributions. See *Eligible rollover distribution—20% withholding* on page 4.

Caution. There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see Pub. 505. It explains your estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity using Form W-4P.

Periodic payments. Withholding from periodic payments of a pension or annuity is figured in the same manner as withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than 1 year. They may be paid annually, quarterly, monthly, etc.

If you want federal income tax to be withheld, you must designate the number of withholding allowances on line 2 of Form W-4P and indicate your marital status by checking the appropriate box. Under current law, you cannot designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld on line 3.

If you do not want any federal income tax withheld from your periodic payments, check the box on line 1 of Form W-4P and submit the form to your payer. However, see *Payments to Foreign Persons and Payments Outside the United States* on page 4.

Caution. If you do not submit Form W-4P to your payer, the payer must withhold on periodic payments as if you are married claiming three withholding allowances. Generally, this means that tax will be withheld if your pension or annuity is at least $1,720 a month.

If you submit a Form W-4P that does not contain your correct social security number (SSN), the payer must withhold as if you are single claiming zero withholding allowances even if you checked the box on line 1 to have no federal income tax withheld.

There are some kinds of periodic payments for which you cannot use Form W-4P because they are already defined as wages subject to federal income tax withholding. These payments include retirement pay for service in the U.S. Armed Forces and payments from certain nonqualified deferred compensation plans and deferred compensation plans described in section 457 of tax-exempt organizations. Your payer should be able to tell you whether Form W-4P applies.

For periodic payments, your Form W-4P stays in effect until you change or revoke it. Your payer must notify you each year of your right to choose not to have federal income tax withheld (if permitted) or to change your choice.

Nonperiodic payments—10% withholding. Your payer must withhold at a flat 10% rate from nonperiodic payments (but see *Eligible rollover distribution—20% withholding* on page 4) **unless** you choose not to have federal income tax withheld. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. You can choose not to have federal income tax withheld from a nonperiodic payment (if permitted) by submitting Form W-4P (containing your correct SSN) to your payer and checking the box on line 1. Generally, your choice not to have federal income tax withheld will apply to any later payment from the same plan. You cannot use line 2 for nonperiodic payments. But you may use line 3 to specify an additional amount that you want withheld.

Caution. If you submit a Form W-4P that does not contain your correct SSN, the payer cannot honor your request not to have income tax withheld and must withhold 10% of the payment for federal income tax.

Eligible rollover distribution—20% withholding. Distributions you receive from qualified pension or annuity plans (for example, 401(k) pension plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over tax free to an IRA or qualified plan are subject to a flat 20% federal withholding rate. The 20% withholding rate is required, and you cannot choose not to have income tax withheld from eligible rollover distributions. Do not give Form W-4P to your payer unless you want an additional amount withheld. Then, complete line 3 of Form W-4P and submit the form to your payer.

Note. The payer will not withhold federal income tax if the entire distribution is transferred by the plan administrator in a direct rollover to a traditional IRA or another eligible retirement plan (if allowed by the plan), such as a qualified pension plan, governmental section 457(b) plan, section 403(b) contract, or tax-sheltered annuity.

Distributions that are (a) required by law, (b) one of a specified series of equal payments, or (c) qualifying "hardship" distributions are **not** "eligible rollover distributions" and are not subject to the mandatory 20% federal income tax withholding. See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* on page 3.

Tax relief for victims of terrorist attacks. For tax years ending after September 10, 2001, disability payments for injuries incurred as a direct result of a terrorist attack directed against the United States (or its allies), whether outside or within the United States, are not included in income. You may check the box on line 1 of Form W-4P and submit the form to your payer to have no federal income tax withheld from these disability payments. However, you must include in your income any amounts that you received or you would have received in retirement had you not become disabled as a result of a terrorist attack. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Changing Your "No Withholding" Choice

Periodic payments. If you previously chose not to have federal income tax withheld and you now want withholding, complete another Form W-4P and submit it to your payer. If you want federal income tax withheld at the rate set by law (married with three allowances), write "Revoked" next to the checkbox on line 1 of the form. If you want tax withheld at any different rate, complete line 2 on the form.

Nonperiodic payments. If you previously chose not to have federal income tax withheld and you now want withholding, write "Revoked" next to the checkbox on line 1 and submit Form W-4P to your payer.

Payments to Foreign Persons and Payments Outside the United States

Unless you are a nonresident alien, withholding (in the manner described above) is required on any periodic or nonperiodic payments that are delivered to you outside the United States or its possessions. You cannot choose not to have federal income tax withheld on line 1 of Form W-4P. See Pub. 505 for details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% federal withholding tax under section 1441 on the taxable portion of a periodic or nonperiodic pension or annuity payment that is from U.S. sources. However, most tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for details. A foreign person should submit Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, to the payer before receiving any payments. The Form W-8BEN must contain the foreign person's taxpayer identification number (TIN).

Statement of Federal Income Tax Withheld From Your Pension or Annuity

By January 31 of next year, your payer will furnish a statement to you on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., showing the total amount of your pension or annuity payments and the total federal income tax withheld during the year. If you are a foreign person who has provided your payer with Form W-8BEN, your payer instead will furnish a statement to you on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, by March 15 of next year.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request federal income tax withholding from periodic pension or annuity payments based on your withholding allowances and marital status, (b) request additional federal income tax withholding from your pension or annuity, (c) choose not to have federal income tax withheld, when permitted, or (d) change or revoke a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.