

# Harbor IRA Withholding Options



## Questions?

Call 800-422-1050

To obtain additional forms or to complete this form online, visit us at [harborfunds.com](http://harborfunds.com).

Use this form to change the current withholding election on your IRA. Please print in CAPITAL LETTERS and in black ink.

## Step 1 Account Owner Information

First Name M.I. Last Name

Social Security Number Date of Birth (mm/dd/yyyy)

Account Number Daytime Telephone Number Evening Telephone Number

Street Address or P.O. Box Number

City State Zip Code

## Step 2 Withholding Notice & Election

This change will apply to future withdrawals until further notice. >

Any election made after a distribution cannot be applied retroactively to a prior distribution. If no change is made, Harbor Funds will maintain your current withholding election on file. >

Amount must be at least 10%. >

### Federal Income Tax Withholding (Substitute IRS Form W-4P OMB No. 1545-0074):

The distributions you receive from your Harbor Funds IRA (generally excluding Roth IRAs) are subject to a federal tax withholding rate of 10% unless you elect not to have withholding apply (provided you have supplied Harbor Funds with a U.S. address and a correct taxpayer identification number), or you elect to have an additional amount withheld. Regardless of your withholding election, you must pay any tax due on the taxable portion of your withdrawals. If federal tax is due, and either your estimated tax payments or the amount you have withheld is insufficient under IRS rules, you may be subject to additional taxes and/or penalties. Tax will be withheld on the gross amount of the payment even though you may be receiving amounts that are not subject to withholding because they are excludible from gross income. This withholding procedure may result in excess withholding on the payment.

- Do **not** withhold federal income tax from my IRA distribution(s).
- Withhold federal income tax of  % from my IRA distribution(s).

# Step 2 Withholding Notice & Election

Continued

Please refer to Appendix A for State Income Tax Withholding Rules. >

**Important:** If you are not a resident of one of these states, Harbor Funds will not withhold state income tax. >

### State Income Tax Withholding:

If federal tax is withheld and you are a resident of **CT, DC, IA, KS, MA, ME, NE, or OK**: State tax withholding is mandatory. Harbor Funds will automatically withhold the minimum required by your state unless you specify a higher amount below, or for residents of CT, unless you provide a completed form CT-W4P.

If federal tax is withheld and you are a resident of **AR, CA, MI, NC, OR, or VT**: State tax withholding is mandatory unless you specifically elect not to have tax withheld. Harbor Funds will automatically withhold the minimum required by your state unless you either check the "Do not withhold" box or specify a higher amount below.

If federal tax is withheld and you are a resident of **LA**: IRA distributions are subject to state withholding only when an IRA owner elects state withholding and specifies a percentage. However, the percentage specified must not exceed a certain percentage of the gross payment. Please refer to the next page for State Income Tax Withholding Rules for more information.

If federal tax is withheld and you are a resident of **MT, NJ, or WI**: IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. Please refer to the next page for State Income Tax Withholding Rules for your state's minimum payment amount.

If federal tax is withheld and you are a resident of **MS**: State tax withholding is mandatory if your distribution is subject to the federal early withdrawal penalty. Harbor Funds will automatically withhold the minimum required by your state unless you specify a higher amount below.

Harbor Funds will use the address of record on your IRA to determine state withholding requirements. **If the state listed on that account is not your legal state of residence**, provide that information here.

State of Residence - *If other than that listed on IRA registration*

### Check only one:

Do not withhold state income tax from my IRA distributions.

Withhold my state's minimum requirement.

Withhold my state's minimum requirement, **plus** this additional amount: \$

Withhold this amount: \$

**Important:** We will withhold at least your state's minimum requirement. >

# Step 3 Signature

### Sign below:

I certify that neither the Custodian nor the Shareholder Servicing Agent has provided me with legal or tax advice and I assume full responsibility for this election. I will not hold the Custodian or the Shareholder Servicing Agent liable for any adverse consequences that may result from this election.

### Owner/Authorized Person Sign Below:



Signature

Date (mm/dd/yyyy)

### Mail completed form to:

**Standard Mail**  
Harbor Funds  
P.O. Box 804660  
Chicago, IL 60680-4108

**Overnight Delivery**  
Harbor Funds

111 South Wacker Drive, 34th Floor  
Chicago, IL 60606-4302

**General Rules:**

In most cases, state withholding applies to state residents only. In Maine, Massachusetts, Montana, Nebraska, Oregon, and Wisconsin, state withholding also applies to individuals required to file a state tax return in that state. Financial organizations are only required to offer state withholding for states in which they have a presence. If a state withholding election is not made and state withholding is required, state tax will be withheld. A state withholding election may be changed at any time and will apply to payments made after the change.

**State Specific Rules:**

**ARKANSAS.** IRA distributions are subject to state withholding at 3.0% of the gross payment, unless the IRA owner elects no state withholding.

**CALIFORNIA.** IRA distributions are subject to state withholding at 1.0% of the gross payment, unless the IRA owner elects no state withholding.

**CONNECTICUT.** Taxable lump-sum IRA distributions are subject to mandatory state withholding at 6.99% of the gross payment. Any other taxable distribution from an IRA is subject to state withholding at 6.99% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form CT-W4P. Form CT-W4P may be obtained from the Connecticut Department of Revenue Services.

**DISTRICT OF COLUMBIA.** Lump-sum IRA distributions are subject to mandatory state withholding at 8.95% of the gross payment, except for any aftertax amount in a lump-sum distribution or a trustee to trustee transfer between IRAs.

**IOWA.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment.

**KANSAS.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**LOUISIANA.** IRA distributions are subject to state withholding only when the IRA owner elects state withholding and specifies a percentage not to exceed 4.8% of the gross payment.

**MAINE.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from that payment.

**MASSACHUSETTS.** IRA distributions are subject to state withholding at 5.10% of the gross payment if federal income taxes are withheld from the payment. (Exception: A payment is not subject to state withholding if it is excluded from taxation under Massachusetts law.)

**MICHIGAN.** Any taxable distribution from an IRA received by an IRA owner or beneficiary born after December 31, 1945, is subject to state withholding at 4.25% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form MI W-4P. Withholding also applies to any taxable distributions received by an IRA owner or beneficiary born before 1946 that exceeds certain income thresholds. Withholding is not required on qualified distributions from Roth IRAs. Form MI W-4P may be obtained from the Michigan Department of Treasury.

**MONTANA.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if it would result in a net payment of less than \$10.

**NEBRASKA.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**NEW JERSEY.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. The IRA owner must specify an even dollar amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$10 (per payment).

**NORTH CAROLINA.** IRA distributions are subject to state withholding at 4.0% of the gross payment, unless the IRA owner furnishes the financial organization with a completed Form NC-4P. Form NC-4P may be obtained from the North Carolina Department of Revenue.

**OKLAHOMA.** IRA distributions are subject to state withholding at 5.0% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**OREGON.** IRA distributions are subject to state withholding at 8.0% of the gross payment, unless the IRA owner elects no state withholding.

**VERMONT.** IRA distributions are subject to state withholding at 2.4% of the gross payment if federal income taxes are withheld from the payment or if the IRA owner requests state withholding in writing.

**WISCONSIN.** IRA distributions are subject to state withholding when an IRA owner elects state withholding and specifies an amount. If state withholding is elected, the financial organization is not required to withhold the amount specified if the withheld amount would be less than \$5 (per payment).

**OTHER.** This section is reserved for use if a state modifies its withholding requirements.