

Withholding Terms and Conditions

Federal and State Income Tax Withholding

I understand that the distributions I receive from my IRA (excluding Roth IRA distributions) are subject to Federal income tax withholding (at a default rate of 10% of each distribution unless I elect a different percentage) and possibly state and local tax withholding, unless I elect not to have withholding apply. If I elect to have state income taxes withheld from my IRA distribution in a percentage that is less than my state's minimum withholding requirements, my state's minimum amount or percentage will be withheld.

Income Taxes and Penalties

I understand that distributions I receive from my Edward Jones Individual Retirement Account (IRA) may be subject to income and penalty taxes. I understand and agree that I am solely responsible for determining the tax consequences of this distribution. Income tax planning and reporting for IRAs is complex, and I acknowledge that Edward Jones does not provide tax advice.

IMPORTANT NOTICE

Edward Jones will withhold income tax on distribution(s) from my IRA (excluding Roth IRAs) unless I elect not to have withholding apply. I may elect a percentage to be withheld from my distribution or not to have the withholding apply by properly signing and dating the Substitute Form W-4P and submitting the same to Edward Jones. My election will remain in effect until I change or revoke it by submitting another properly signed and dated Substitute Form W-4P to Edward Jones. If I do not return this form to Edward Jones by the date my distributions are scheduled to begin, federal and applicable state income tax will be withheld. If I do not have enough income tax withheld from my distributions, I may need to pay estimated tax. I may incur penalties if the amounts withheld in my estimated tax payments, if any, are not sufficient.

Instructions - Substitute Form W-4P

Basic Information about Withholding From Pensions and Annuities

Generally, federal and possibly state and local 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 W-4P)

Unless I elect otherwise, federal income tax will be withheld from payments from my Edward Jones Individual Retirement Accounts (IRAs) at a rate of 10% of each distribution. I can use this Substitute Form W-4P furnished by Edward Jones, to instruct Edward Jones to not withhold any tax from my IRA payments (or to revoke this election). This Substitute Form W-4P 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.

Payments Outside the US

In general, if I am a US citizen or resident alien and my home address is outside the United States or its possessions, I cannot choose exemption from federal income tax withholding on distributions from my IRA. To elect exemption from withholding, I must certify to Edward Jones under penalties of perjury that I am not a US citizen, a resident alien of the United States, or a tax avoidance expatriate. Even if this election is properly made, Edward Jones must withhold tax at the rates prescribed for nonresident aliens (generally a rate equal to 30%).

Statement of Federal Income Tax Withheld

By January 31 of each year, Edward Jones will furnish a statement to me on Form 1099-R, Distributions from Pensions, Annuities Retirement or Profit Sharing Plan, IRAs, Insurance Contracts, etc. showing the total amount of payments from my IRA and the total federal income tax withheld during the preceding year.

More Information

For more information on federal income tax withholding, please see IRS Publication 505, Tax Withholding and Estimated Tax, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, available from most IRS offices or at www.irs.gov.

Penalties

There are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. IRS Publication 505 explains the estimated tax payment requirements and penalties in detail. I may be able to avoid quarterly estimated tax payments by having enough tax withheld from my IRA using this Substitute Form W-4P.

State Withholding

My state (or local governing authority) may allow or require state (or local) income tax withholding on any taxable distribution. Unless I elect otherwise, any applicable state or local income tax withholding will apply to each distribution.