

Federal and State Tax Withholding Updates

- Federal and/or state tax withholding rules can change, and the information cited below may not reflect the current withholding from a federal or state perspective. Consult with your tax advisor, the IRS, and/or your state taxing authority to obtain the most up-to-date information pertaining to your situation. This tax information is provided for informational purposes only and should not be considered legal or tax advice. Always consult a tax or legal professional.
- Effective January 1, 2023, the IRS requires you be provided with the Marginal Rate Tables and the Tax Withholding Instructions from the [IRS Form W-4R](#) (Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions) and [IRS Form W-4P](#) (Withholding Certificate for Periodic Pension or Annuity Payments). **Effective January 1, 2023, a [Substitute Form W-4P / W-4R](#) must be included when submitting new withdrawal requests. Any updates to Federal tax withholding for on-going automatic withdrawals will also require an updated withholding form.** The Substitute Form W-4P / W-4R can be found [here](#). **Withdrawal requests submitted without the Substitute Form W-4P / W-4R will result in processing delays.**
- Each state sets its own withholding rates and requirements on taxable distributions. IPC will apply these rates unless you direct us not to (where permitted) or you request a higher rate (see chart below for state tax withholding options.)
- Your account's legal / residential address at the time of the withdrawal determines which state's tax rules apply. You should confirm that the address on your account is current prior to submitting your request.
- You are responsible for paying your federal, state, and local income taxes and any penalties, including penalties for insufficient withholding.
- The federal and/or state tax withholding rate, if indicated, must be provided as a whole number from 1% to 100% for all withdrawal requests.

State of Residence	State Tax Withholding Options
AR, IA, KS, MA, ME, OK, OR	<ul style="list-style-type: none"> • If you choose federal withholding, state withholding at your state's minimum withholding rate, or an amount greater as specified by you, is mandatory. • If you do not choose federal withholding, state withholding is voluntary.
DE, NC	<ul style="list-style-type: none"> • If you choose federal withholding, state withholding at your state's minimum withholding rate, or an amount greater as specified by you, is voluntary if you opt out of state tax withholding.
VT	<ul style="list-style-type: none"> • If you choose federal withholding, state withholding at your state's minimum withholding rate, or an amount greater as specified by you is mandatory.
CA	<ul style="list-style-type: none"> • If you choose federal withholding, state withholding at your state's minimum withholding rate, or an amount greater as specified by you, is mandatory unless you choose to opt out of state tax withholding.
GA, MD, NE	<ul style="list-style-type: none"> • If you choose federal withholding or not, state withholding at your state's minimum withholding rate, or an amount greater as specified by you, is voluntary.
CT, MI	<ul style="list-style-type: none"> • CT and MI generally require state income tax of at least your state's minimum requirements, regardless of whether or not federal income tax is withheld. • Tax withholding is not required if you meet certain state requirements governing pension and retirement benefits. Please reference the CT or MI W-4P Form for additional information about calculating the amount to withhold from your distribution. • If you are subject to state tax withholding, you must elect state tax withholding of at least your state's minimum by completing the Tax Withholding section.
DC (Only applicable if taking a full distribution of the entire account balance.)	<ul style="list-style-type: none"> • If you are taking distribution of your entire account balance and not directly rolling that amount over to another eligible retirement account, DC requires that a minimum amount be withheld from the taxable portion of the distribution, whether or not federal income tax is withheld. In that case, you must elect to have the minimum DC income tax amount withheld by completing the tax withholding form.