Illinois Secure Choice
Retirement Savings Program

EXCESS REMOVAL WORKSHEET

If your contributions exceed the annual IRS limit for Roth IRAs, the excess must be removed in order to avoid IRS excess contribution penalties. This form will document the excess, help you determine what amount to withdraw, and allow you to request the removal of the excess contribution. Contact the Client Service team if you need assistance completing this form.

Completed forms should be mailed to: Illinois Secure Choice
PO Box 56000
Boston, MA 02205-6000

Overnight Address: Illinois Secure Choice
95 Wells Avenue, Suite 155
Newton, MA 02459

855-650-6914
8 am to 8 pm Central Standard Time M-F

saver.ilsecurechoice.com

1. ROTH IRA OWNER INFORMATION *(All fields required)*

☐☐☐☐☐☐☐☐☐☐
Account Number

☐☐☐–☐☐–☐☐☐☐
Social Security Number or Taxpayer Identification Number

☐☐☐☐☐☐☐☐☐☐

3. CORRECTION PROCEDURES

The correction procedure used depends on the timing of the removal. The deadline to remove an excess and avoid the excess contribution penalty tax is the Roth IRA owner's federal income tax filing deadline, including extensions (generally no later than October 15) of the year following the year for which the contribution was made.

EXCESS REMOVED BEFORE DEADLINE *(Both true and deemed excess contributions may be removed as an excess before the deadline.)*

Refer to pages 5 and 6 for information on how to calculate the net income attributable.

1. Calculate the net income attributable (NIA) to the excess
2. Remove the excess contribution amount and NIA *(Total withdrawal amount from page 5)* $ ☐,☐☐☐,☐☐☐.☐☐
3. This excess was removed before the deadline *(select one)*
   - ☐ The excess was contributed and removed in the same year
   - ☐ The excess was contributed in one year and removed in the following year

EXCESS REMOVED AFTER DEADLINE

Only true excess contributions may be removed as an excess after the deadline.

Remove only the excess contribution amount *(Do not calculate or remove the net income attributable)*

4. DISTRIBUTION AMOUNT *(Select one)*

Indicate the amount of the distribution you are requesting. Funds must be held in your IRA for 7 business days before they may be distributed.

1. ☐ **Full Balance.** The entire amount in the Account is an excess contribution. Liquidate and distribute the entire amount held in all of the Investment Options in my Account.
2. ☐ **Partial Amount.** $ ☐,☐☐☐,☐☐☐.☐☐
   Liquidate and distribute the amount proportionately from my current Investment Options. If the amount indicated exceeds the amount available, the entire balance will be liquidated.
3. ☐ **Partial Amount as Follows.**
   Liquidate and distribute amounts from my current Investment Options as indicated below. ***Important:*** *If the dollar amount indicated for a particular Investment Option exceeds the amount available, the entire balance of that Investment Option will be liquidated.*

Name of Investment Option	Dollar Amount *(For partial amounts)*	OR	Total Balance *(Check if applicable)*
	$ ☐,☐☐☐,☐☐☐.☐☐		☐
	$ ☐,☐☐☐,☐☐☐.☐☐		☐
	$ ☐,☐☐☐,☐☐☐.☐☐		☐
	$ ☐,☐☐☐,☐☐☐.☐☐		☐
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	$ ☐,☐☐☐,☐☐☐.☐☐		☐
	$ ☐,☐☐☐,☐☐☐.☐☐		☐
	$ ☐,☐☐☐,☐☐☐.☐☐		☐

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5. WITHHOLDING ELECTION (Form W-4R/OMB No. 1545-0074)

You are responsible for paying any applicable federal and state income taxes on the taxable amount of a distribution. You should consult a qualified tax adviser if you have any questions about tax withholding.

FEDERAL WITHHOLDING *(Select one)*

Your withholding rate is determined by the type of payment you will receive.

For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% below. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its possessions. *(See the Withholding Instructions for more information.)*

Complete this section if you would like a rate of withholding that is different from the default withholding rate. See the instructions and the Marginal Rate Tables that follow for additional information. Enter the rate as a whole number (no decimals).

Withhold ☐☐ %

STATE WITHHOLDING You are responsible for determining if and how much state tax withholding is applicable. If applicable, select one. Certain states may require a minimum percentage to be withheld if withholding is requested.

Name of Withholding State ☐☐

☐ Withhold ☐☐ %

☐ Withhold $ ☐,☐☐☐,☐☐☐.☐☐

☐ Do Not Withhold State Income Tax

6. DELIVERY METHOD *(Select one)*

Note: *If the address to which you've requested the distribution be sent has changed in the last 9 business days, or if you have changed your financial information in the last 15 calendar days, your distribution will be held until this waiting period has been satisfied.*

☐ **First-Class Mail.** Check will be mailed to your address on file via the US Postal Service. Allow up to 10 business days for delivery.

☐ **Automated Clearing House (ACH).** You agree and confirm that your ACH transaction will not involve a financial organization or other financial services company, including any branch or office thereof, located outside the territorial jurisdiction of the United States.

☐☐☐

WITHHOLDING INSTRUCTIONS *(Form W-4R/OMB No. 1545-0074)*

General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.

Purpose of form. Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See below for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, *Withholding Certificate for Periodic Pension or Annuity Payments*. For more information on withholding, see Pub. 505, *Tax Withholding and Estimated Tax*.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate in the Withholding Election section. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering "-0-" in the Withholding Election section. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including "-0-") on any payments to be delivered outside the United States and its territories.

NOTE: If you don't give Form W-4R to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can't honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2025, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and Pub. 519, *U.S. Tax Guide for Aliens*, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter "-0-" in the Withholding Election section. See Pub. 3920, *Tax Relief for Victims of Terrorist Attacks*, for more details.

2025 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See the instructions for more information on how to use this table.

Single or Married Filing Separately		**Married Filing Jointly or Qualifying Surviving Spouse**		**Head of Household**	
Total income over—	***Tax rate for every dollar more***	*Total income over—*	***Tax rate for every dollar more***	*Total income over—*	***Tax rate for every dollar more***
$0	0%	$0	0%	$0	0%
15,000	10%	30,000	10%	22,500	10%
26,925	12%	53,850	12%	39,500	12%
63,475	22%	126,950	22%	87,350	22%
118,350	24%	236,700	24%	125,850	24%
212,300	32%	424,600	32%	219,800	32%
265,525	35%	531,050	35%	273,000	35%
641,350*	37%	781,600	37%	648,850	37%

* If married filing separately, use $390,800 instead for this 37% rate.

Specific Instructions

Withholding Election

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate in the Withholding Election section.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate in the Withholding Election section (including "-0-") if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter "-0-".

Suggestion for determining withholding. Consider using the Marginal Rate Tables above to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

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To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate in the Withholding Election section. (See Example 1 below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate in the Withholding Election section. (See Example 2 below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate in the Withholding Election section.

Examples. Assume the following facts for Examples 1 and 2. Your filing status is single. You expect the taxable amount of your payment to be $20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be $65,000 without the payment. Step 1: Because your total income without the payment, $65,000, is greater than $63,475 but less than $118,350, the corresponding rate is 22%. Step 2: Because your total income with the payment, $85,000, is greater than $63,475 but less than $118,350, the corresponding rate is 22%. Because these two rates are the same, enter "22" in the Withholding Election section.

Example 2. You expect your total income to be $61,000 without the payment. Step 1: Because your total income without the payment, $61,000, is greater than $26,925 but less than $63,475, the corresponding rate is 12%. Step 2: Because your total income with the payment, $81,000, is greater than $63,475 but less than $118,350, the corresponding rate is 22%. The two rates differ. $2,475 of the $20,000 payment is in the lower bracket ($63,475 less your total income of $61,000 without the payment), and $17,525 is in the higher bracket ($20,000 less the $2,475 that is in the lower bracket). Multiply $2,475 by 12% to get $297. Multiply $17,525 by 22% to get $3,856. The sum of these two amounts is $4,153. This is the estimated tax on your payment. This amount corresponds to 21% of the $20,000 payment ($4,153 divided by $20,000). Enter "21" in the Withholding Election section.

Privacy Act and Paperwork Reduction Act Notice. The IRS asks 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 additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). 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). Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing 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 territories for use in administering their tax laws. The IRS 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, the IRS would be happy to hear from you. See the instructions for your income tax return.

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DETERMINING NET INCOME ATTRIBUTABLE

When removing an excess contribution before the deadline, the net income attributable to the excess contribution must also be removed. To determine this amount, fill out the form below, using the example on the next page for reference, or contact Illinois Secure Choice at the number specified on page 1 of this form.

Net Income Attributable = $\frac{\textbf{Contribution x Total Earnings}}{\textbf{Adjusted Opening Balance}}$

CONTRIBUTION

The amount of the excess contribution to be removed $ ☐,☐☐☐,☐☐☐.☐☐

TOTAL EARNINGS

The total earnings on the Roth IRA are determined in the following manner.

1. Determine the Roth IRA balance as of the date of withdrawal $ ☐,☐☐☐,☐☐☐.☐☐
2. Add the amount of any withdrawals taken after the excess contribution was made and before the excess removal + $ ☐,☐☐☐,☐☐☐.☐☐
3. Subtract the balance of the Roth IRA immediately before the excess contribution was made - $ ☐,☐☐☐,☐☐☐.☐☐
4. Subtract the excess contribution and all subsequent contributions made before the excess removal - $ ☐,☐☐☐,☐☐☐.☐☐
5. Subtract any time deposit (or other investment) penalties that will be applied due to the excess removal - $ ☐,☐☐☐,☐☐☐.☐☐

TOTAL EARNINGS $ ☐,☐☐☐,☐☐☐.☐☐

ADJUSTED OPENING BALANCE

The adjusted opening balance is the balance of the Roth IRA immediately before the excess contribution was made, plus the excess contribution and all subsequent contributions made before the excess removal.

$ ☐,☐☐☐,☐☐☐.☐☐

NET INCOME ATTRIBUTABLE

$$\frac{\begin{array}{l}\$\ ☐,☐☐☐,☐☐☐.☐☐ \textbf{ (Contribution)} \\ \textbf{X}\ \$\ ☐,☐☐☐,☐☐☐.☐☐ \textbf{ (Total Earnings)}\end{array}}{\$\ ☐,☐☐☐,☐☐☐.☐☐ \textbf{ (Adjusted Opening Balance)}} = \$\ ☐,☐☐☐,☐☐☐.☐☐ \textbf{ (Net Income Attributable)}$$

TOTAL WITHDRAWAL AMOUNT

The total amount to be removed equals the contribution amount to be removed plus the net income attributable.
Note: *If the net income attributable is negative, reduce the amount of the excess contribution by the net income attributable.*

$ ☐,☐☐☐,☐☐☐.☐☐

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IRA EXCESS CONTRIBUTION EXAMPLE

- Kathy, age 40, is single. Her earned income is $2,500. She made a $5,500 Roth IRA contribution on May 12, 2017. She has now realized her mistake and wants to correct her excess of $3,000.
- On August 11, 2017, Kathy is going to withdraw her $3,000 excess contribution.
- Kathy will also need to remove the net income attributable since the excess is being corrected before the due date (the 2017 tax filing deadline, including extensions)
- Her IRA activity appears below

Roth IRA	Balance
5/12/2017 beginning balance	$41,758.21
5/12/2017 $5,500 contribution	$47,258.21
6/30/2017 dividend posting	$47,337.75
8/11/2017 balance	$47,437.72

Refer to the example below on how page 5 of the Excess Removal Worksheet would be completed.

$$\text{Net Income Attributable} = \frac{\text{Contribution x Total Earnings}}{\text{Adjusted Opening Balance}}$$

CONTRIBUTION

The amount of the excess contribution to be removed **$3,000**

TOTAL EARNINGS

The total earnings on the Roth IRA are determined in the following manner.

1. Determine the Roth IRA balance as of the date of withdrawal **$47,437.72**
2. Add the amount of any withdrawals taken after the excess contribution was made and before the excess removal **+ $0**
3. Subtract the balance of the Roth IRA immediately before the excess contribution was made **- $41.758.21**
4. Subtract the excess contribution and all subsequent contributions made before the excess removal **- $5,500**
5. Subtract any time deposit (or other investment) penalties that will be applied due to the excess removal **- $0**

TOTAL EARNINGS **$179.51**

ADJUSTED OPENING BALANCE

The adjusted opening balance is the balance of the Roth IRA immediately before the excess contribution was made, plus the excess contribution and all subsequent contributions made before the excess removal. **$41.758.21 + $5,500 = $47,258.21**

NET INCOME ATTRIBUTABLE

$$\frac{\textbf{\$3,000}\ \text{(Contribution)}\ \textbf{X}\ \textbf{\$179.51}\ \text{(Total Earnings)}}{\textbf{\$47,258.21}\ \text{(Adjusted Opening Balance)}} = \textbf{\$11.40}\ \text{(Net Income Attributable)}$$

TOTAL WITHDRAWAL AMOUNT

The total amount to be removed equals the contribution amount to be removed plus the net income attributable.

$3,000 + $11.40 = $3,011.40

Note: *If the net income attributable is negative, reduce the amount of the excess contribution by the net income attributable.*

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