



Trust Company of America (TCA) Withholding Information Federal and State Policies for Qualified Plans

This information summary addresses tax withholding for qualified plans including 401(k)s and 403(b)s and does not apply to individual retirement accounts.

Federal Withholding Policy

Qualified Plans:

401(k), Solo 401(k), 403(b), 457, Money Purchase (MPP), Profit Sharing (PSP) or other qualified retirement plan

- Except for hardship, disability and required minimums, taxable distributions to plan participants generally require 20% federal withholding. If federal withholding is required, TCA will withhold even if the 'I elect not to have federal income tax withheld' box is checked or no federal withholding amount is designated on the distribution request form.

Outside Qualified Plans:

- TCA does not process federal withholding under any circumstances since all tax reporting is handled by another entity.

State Withholding Policy

Some states have mandatory withholding.

- If a state requires state withholding and does not allow the account owner to opt out, TCA will process state withholding even if the 'I elect not to have state income tax withheld' box is checked on the distribution request form. State withholding of the required amount will be withheld unless a greater amount is designated.
- If a state requires state withholding and does allow an account owner to opt out, TCA will process state withholding in the required amount unless the 'I elect not to have state income tax withheld' box is checked on the distribution request form.

For outside qualified plans, TCA does not process state withholding under any circumstances since tax reporting is handled by another entity.

Unless requested to do so on the distribution request form, TCA will not process state withholding for a state with voluntary withholding. TCA cannot process state withholding for states that do not have state income tax.

Note: The state of residence determines the state withholding requirements and is determined by the participant's legal address of record. All state withholding will be rounded to the nearest whole dollar. For example, withholding on a \$100 distribution with a 6.5% state withholding would be \$7.00 instead of \$6.50.

To the best of our knowledge, this information is accurate as of June 20, 2013. Consult with your tax advisor to obtain the most up-to-date information pertaining to your state.

To Opt Out of State Withholding: For states that allow a participant to opt out of state withholding, check the 'I elect not to have state income tax withheld' box on the distribution form. *Note: Even if this box is checked, state withholding will be processed for states that require state withholding and do not allow you to opt out.*

Qualified Plans State Withholding Requirements

State		Withholding Requirements
Mandatory		
Arkansas (AR)	See note*	State withholding is mandatory for any distribution where federal withholding is taken, no exceptions * 5% mandatory for eligible rollover distributions; 3% for distributions not eligible for rollover unless opted out ** For full account distributions only
District of Columbia (DC)	8.95%**	
Iowa (IA)	5%	
Kansas (KS)	4.5%	
Maine (ME)	5%	
Maryland (MD)	7.75%	
Massachusetts (MA)	5.2%	
Nebraska (NE)	5%	
Oklahoma (OK)	5%	
Virginia (VA)	4%	
Mandatory unless Opted Out		
California (CA)	See Note*	State withholding is mandatory for any distribution where federal withholding is taken and state withholding is not specifically opted out *California is 10% of the federal withholding amount **State withholding is mandatory if the recipient was born <i>after</i> 1945 ***Vermont is 24% of the federal withholding amount
Delaware (DE)	5%	
Michigan (MI)	4.25**	
North Carolina (NC)	4%	
Oregon (OR)	8%	
Vermont (VT)	See note***	
Voluntary		
Alabama (AL) Arizona (AZ) Colorado (CO) Connecticut (CT) Georgia (GA) Idaho (ID) Illinois (IL) Indiana (IN) Kentucky (KY) Louisiana (LA) Michigan (MI) if DOB is prior to 1946 Minnesota (MN) Mississippi (MS)	Missouri (MO) Montana (MT) New Jersey (NJ) New Mexico (NM) New York (NY) North Dakota (ND) Ohio (OH) Pennsylvania (PA) Rhode Island (RI) South Carolina (SC) Utah (UT) West Virginia (WV) Wisconsin (WI)	
No Withholding Option ~ No State Income Tax		
Alaska (AK) Florida (FL) Hawaii (HI) Nevada (NV) New Hampshire (NH)	South Dakota (SD) Tennessee (TN) Texas (TX) Washington (WA) Wyoming (WY)	