IRA/ESA Distribution Request

Please read the attached instructions. **Use of this form will result in a reportable distribution to the Internal Revenue Service and state tax authorities, as required.**

STEP 1. ACCOUNT OWNER INFORMATION

To establish a standing tax election and associated delivery instruction only, please move to the tax withholding election section.

Name	
Account Number	State of Residence (for state tax purposes)

STEP 2. REQUEST REASON

Do not use this form to request a trustee-to-trustee transfer of assets to another IRA. See instructions for further information.
Do not use this form to purchase an investment within your account.
Do not use this form to request a Direct Beneficiary transfer or distribution refer to the Beneficiary Distribution form.

☐ **Normal** — age 59½ and older, including RMDs if applicable

☐ **Roth Qualified** — Age 59 1/2 and older, and account resided on BNY Pershing's Platform minimum of 5 Years

☐ **Early** — under age 59½, no known exceptions

☐ **SIMPLE IRA Early** — use if "2 year rule" and account owner is under age 59½

☐ **Education Savings Account** — no tax withholding, see instructions

☐ **Beneficiary Distribution** — from an Inherited/beneficiary IRA or ESA

☐ **Qualified Charitable Distribution** - age 70 1/2 and older, funds must be made payable directly to the charity

☐ **Direct Rollover to an Eligible Employer-Sponsored Plan (e.g. 401(a) qualified plans, 401(k) plans, 403(b) plans, governmental 457(b) plans)** — Letter of Acceptance required from receiving employer plan, see instructions for more details

☐ **Return of Excess Contribution for Tax Year** — all below must be completed
(Please note: Return of excess SEP & SIMPLE employer contributions may require a letter of instruction from your employer. Contact your advisor for additional information.)

- Tax year ____________________
- Specify excess amount, month, day, and year contribution was made: $ ____________ ________
- Is this excess being removed prior to the extended tax return due date?

  ☐ Yes Provide earnings/loss attributable to excess contribution amounts (see instructions) $ ____________

  ☐ No If no, select Excess after tax filing deadline in asset movement, earnings/loss does not apply

STEP 3. TRANSACTION TYPE

If neither gross nor net is selected, gross will become the default.
If "net" is elected, applicable taxes must be available in cash.
Attach LOA if distributing more than 2 positions or for multiple qualified charitable distributions to provide list of payments with a break down of alternate payees, name, address and dollar amount. This attachment should be signed by the investor, dated and reference the Pershing LLC custodial IRA account number.

☐ **Total Distribution** — select one, account will be closed:

☐ Total distribution of the entire account in cash and securities.

☐ Total distribution of the entire account in cash ONLY. Please arrange to have your advisor or financial institution liquidate all assets.

☐ **One-Time Partial Distribution:**

☐ Gross ☐ Net (If no selection is made the amount requested defaults to gross)

☐ Cash payment in the amount of $ ____________

☐ Distribute securities (indicate symbol, description and quantity. If more space is needed, attach a separate sheet).

SYMBOL	DESCRIPTION	SHARE CLASS	QUANTITY

DIST

Periodic distribution or standing instructions will expire within 36 months of non-use.
Periodic distributions must be initiated in principal amount not factoring in your withholding election.

☐ **Periodic Distributions**

Request Type

☐ New request ☐ Change of instructions

Frequency

☐ Semi-Monthly ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually

Start Date		End Date (optional)

Distribution Type

Your advisor will add this information to your account profile to ensure your RMD is calculated annually.

☐ Principal payment in the amount of $ ____________________

☐ Income (dividends and capital gains) and interest

☐ Required Minimum Distribution due to reaching age 73 (Scheduled RMD)

☐ Required Minimum Distribution due to death (Scheduled RMD from an Inherited IRA)*

*THIS OPTION IS INTENDED FOR IRA BENEFICIARIES WHO INHERITED ASSETS PRIOR TO JANUARY 1, 2020. If you inherited retirement assets ON OR AFTER January 1, 2020, you may be subject to the 10-year distribution rule and should not be selecting this option unless an exception applies. Periodic distributions will be calculated for spouse and non-spouse beneficiaries based on the single life expectancy of the original beneficiary of the IRA. In order to calculate your RMD, please ensure that you have provided your advisor with the following information, if you have not already done so. Your advisor will add this information to your Account Profile to ensure your RMD is calculated annually.

Decedent's Date of Birth (original owner)		Decedent's Date of Death (original owner)
Original Beneficiary's Date of Birth (for RMD calculation)		Relationship to Decedent (relationship to original owner)

Important Information About Year-end RMD Distributions

By selecting the Required Minimum Distribution option, you agree to a "supplemental" distribution (up to the available cash in your account) to meet the RMD amount if the account's RMD obligations for the year has not been met by the last day of the year.

Please note: Any additional distributions, either from one-time distribution(s) or additional periodic distributions plans, will not automatically reduce your annually calculated RMD schedule payment amount. distributions plans, will not automatically reduce your annually calculated RMD schedule payment amount. In addition, other attributes of your periodic RMD payment schedule will not change. So you may end up distributing more than your required minimum distribution amount for the year.

☐ **Reduce** (if applicable) and suspend my annually calculated RMD scheduled payment for this account if additional distributions from this account meet the RMD or would cause the next scheduled payment to meet the RMD.

Funding Method to support proportionate distributions. This feature raises funds for periodic distributions. (select one)
On selling your shares, you may pay a sales charge. For the charge and other fees, see the prospectus. If funds are not available for the initial distribution, instructions must be added eight days prior to the first scheduled distribution date to allow for trade processing.

☐ Distribute available CASH only (default if no other method selected)

☐ Distribute PROPORTIONATELY across cash, money market and all eligible mutual funds

☐ Distribute by specific eligible mutual funds (10 maximum, provide all details below):

FUND NAME	SYMBOL	PERCENTAGE
	Total (must equal 100%)	

This space intentionally left blank.

STEP 4. TAX WITHHOLDING ELECTION

Tax withholding does not apply to qualified charitable distributions or distributions from an education savings account, Roth qualified distributions, or to direct rollovers from an IRA to an eligible employer sponsored plans.

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. Please ensure that you have sufficient cash available to cover total withholding amount. If you elect tax withholding on a distribution of securities, withholding can only be a % not a dollar amount. For Periodic Distribution Instructions total Federal and State tax withholding cannot be more than 99%.

If you are a U.S. Citizen or resident alien receiving an IRA distribution that is delivered outside the United States or its possessions, withholding is required and may not be waived.

State Income tax withholding may be required when you elect federal income tax withholding.

Federal Income Tax Withholding
(Form W-4R/OMB No. 1545-0074) Dept. of Treasury, Internal Revenue Service).

Please see form instructions for withholding notice information.

Unless a previous withholding election is in place, or you indicate a different withholding rate below, or you elect not to withhold Federal income tax by indicating your election below, 10% will be withheld from your IRA distribution. You can choose to have a different rate by entering a rate between 0% and 100%. Please refer to https://www.irs.gov/pub/irs-pdf/fw4r.pdf for the marginal rate tables to help you determine the appropriate withholding rate. The marginal rate tables are provided below.

☐ **Do NOT withhold** federal income tax from the gross distribution amount.
(Not applicable to distributions subject to mandatory withholding.)

☐ **Withhold** federal income tax from the gross distribution amount at the rate of 10% .

☐ **Withhold** ____________________ % of federal income tax from the gross distribution amount.
Enter the rate as a whole number (no decimals).

State Income Tax Withholding

If an election is not made, we will withhold from your distribution according to your state of residence requirement as noted in Step 1. The minimum state of residence requirement must be withheld if a specific percentage or dollar amount is provided. For states with voluntary withholding, no withholding will apply if a percentage or dollar amount is not specified. State income tax withholding may be required when you elect federal income tax withholding.

☐ **Do NOT withhold** state income tax from the distribution. (Not applicable to all states.)

☐ **Withhold** state income tax from the distribution according to the requirements as outlined in BNY Pershing's IRA Federal and State Income Tax Withholding Instructions.

☐ **Withhold** ____________________ % or $ ____________________ of state income tax.

Note: If standing tax withholding instructions are selected, the percentage withholding election is the only option available.

Nonresident Alien Tax Withholding

If you are a nonresident alien, mandatory withholding may apply. NRA tax will be withheld at a rate of 30% unless you live in a country eligible for a reduced treaty rate, have submitted a W-8BEN form, have a Tax Identification Number, and are claiming a reduced treaty rate. Please see form instructions for details.

☐ **Do NOT withhold** nonresident alien tax from the distribution. I have submitted a W-8BEN claiming a zero treaty rate.

☐ **Withhold** nonresident alien tax from the gross distribution amount at the rate of 30%.

☐ **Withhold** ____________________ % or $ ____________________ of NRA taxes.

STEP 5. METHOD OF DELIVERY

Select a method of delivery. If left blank, delivery will be in the form of a check and mailed to the address of record.

☐ **Journal entry** to the following BNY Pershing account :

Account Number

☐ **Deliver** check in the name of the account owner to the address of record.

☐ **Alternate payee** name and/or address (a.k.a. third-party) for check or security. Tax reporting will still be generated in the name of the IRA owner. Qualified charitable distributions should be made payable to the charity. Consult with your tax advisor regarding requirements. Pershing LLC is not responsible for determining whether the distribution meets the requirements for treatment as a qualified charitable distribution.

Name		
Address		
City	State	Zip/Postal Code

☐ **ACH:** Use existing instructions on file. If none exist, complete an ACH Authorization Form

Standing Instruction ID (if multiple instructions are available):

☐ **Overnight check delivery.** (Not available for periodic or standing instructions. Fees will be assessed.)

☐ **Federal Fund Wire**

ABA/Routing Number	DDA/Bank Ultimate Beneficiary Account Number	
Bank Name		
City	State	Zip/Postal Code
Second Bank Information (if necessary)		
Further Credit to Intermediary Name and Number		
Ultimate Beneficiary Name (required for third parties)	Purpose of Wire (only required if requested)	

STEP 6. STANDING INSTRUCTIONS (OPTIONAL)

Standing instructions will expire within 36 months of non-use.

Select one or both of the box(es) below if you would like to establish standing instructions for all future on-demand payments. This may allow your financial professional or their firm to request payments without requiring an additional signed distribution form.

☐ **Tax Withholding** as noted in Step 4 above.
Only one set of Standing tax (W4R) instructions may be active at a time. A new distribution form is required to change instructions.

☐ **Method of Delivery** as noted in Step 5 above.

To use Standing Tax (W4R) Withholding for 3rd party withdrawals, active 3rd party standing delivery Instructions must be leveraged.

STEP 7. FEES (OPTIONAL)

Charge applicable fees to the following non-retirement BNY Pershing account:

Account Number

STEP 8. SIGNATURE

I acknowledge that I have read and understood the Tax Withholding instructions and Pershing LLC (BNY Pershing) is not responsible for determining the appropriateness of the distribution and withholding election. Also, my federal, state, and nonresident alien income tax withholding election is applicable to any subsequent distributions, until I revoke the election under the procedure established by Pershing LLC. If I have selected Standing Instructions, inclusive of a withholding election, I acknowledge that this may allow my financial professional or their firm to request distributions on my behalf, if their policies permit. I certify that I have provided BNY Pershing with correct information, and I understand that a distribution or distributions will be made from my BNY Pershing IRA or ESA based on that information, and as a result of this direction, I certify that this distribution request is in accordance with the provisions of the IRA or ESA and satisfies applicable federal and state law requirements. I understand that I am responsible for maintaining sufficient cash or marketable securities in my account to support these distributions. I understand that the distribution is reported to the IRS (and my state of residence, if it requires reporting) for the tax year in which BNY Pershing processes and makes the distribution and there are no exceptions to this policy. I understand this distribution is irrevocable and will be reported to the IRS. I understand that BNY Pershing does not provide tax or legal advice, and that BNY Pershing strongly recommends that I consult my tax or legal advisor prior to completing this request. I hereby indemnify and hold harmless Pershing LLC and its affiliates for any tax consequences of this distribution request, the elections made above, and any future distribution request utilizing these elections. Pershing LLC may rely on my certification without further investigation or inquiry and shall not be liable for any misrepresentation of fact.

I acknowledge that I understand the one-rollover-per-year rollover limitation as defined by § 408(d)(3)(B) of the Internal Revenue Code. I also represent that this distribution request is NOT being used to purchase an investment custodied away from Pershing LLC for this referenced BNY Pershing IRA or ESA. Please speak with your advisor or financial institution about investment eligibility standards.

If I am requesting a distribution instruction for inherited assets that I acquired on or after January 1, 2020, I acknowledge I may be subject to the 10-year distribution rule. Exceptions, including inheritance by spouses, do apply. Due to the complexity of RMD requirements for inherited accounts, I have been advised to speak with a tax professional regarding distribution requirements and the options available.

If I am requesting a qualified charitable distribution ("QCD"), I acknowledge that I understand that I am solely responsible for ensuring that my QCD complies with applicable requirements, including but not limited to Section 408(d)(8) of the Internal Revenue Code. I understand that Pershing will rely upon the information I have provided in making the distribution per my directions and Pershing LLC will not be liable for any adverse tax consequences, losses, costs or damages for making the distribution per my directions. I have been advised to speak with a tax professional regarding the requirements for treatment as a QCD.

Upon completion, please return the completed distribution form to your advisor or financial institution. **This request must be processed within 60 days of your signature and date.** You may keep a copy of the instructions for your reference.

IRA Owner/ESA Responsible Individual

Print Name	Date
Signature X	

Federal and State Income Tax Withholding Instructions

Traditional IRA, SEP, SIMPLE, And Roth IRA: In most cases, federal and state income tax law requires that we withhold tax from your distribution. You can submit your elections by completing the Withholding Tax Election Section of your IRA Distribution Request Form and following the chart below. Rates are subject to change without notice. Keep this page for your records.

If you do not make an election, we will automatically withhold as follows:
Federal: 10 percent of your gross distribution. **State:** Based on your residency as outlined below.

STATE OF RESIDENCE and STATE INCOME TAX WITHHOLDING REQUIREMENTS AND ELECTIONS	
State income tax withholding is not required	
AK, FL, HI, NH, NV, SD, TN, TX, WA, WY - State income tax withholding is not required for residents of these states. We will not withhold state income tax from your distribution if you reside in these states.	
Voluntary state income tax withholding	
AL, AZ, CO, DE, GA, ID, IL, IN, KY, LA, MO, MT, ND, NJ, NM, NY, OH, PA, RI, SC, UT, VA, WI, WV - We will withhold state income tax only if you instruct us to do so. If you want state income taxes to be withheld, you must indicate the amount or percentage.	
Note: We require tax withholding amounts to be requested in whole dollars for the following states: **Missouri, New Jersey**.	
Mandatory state income tax withholding when federal income tax is withheld	
KS, MA, ME, NE, VT - We will withhold state income tax according to the rates below when federal income tax is withheld from your distribution.	
Kansas, Maine, Massachusetts, Nebraska	5.00% of Gross Distribution
Vermont	30.00% of Federal Income Tax Withheld
If you have elected not to withhold federal income tax, but request state income tax withholding, the following rules apply: Specify a dollar amount/percentage equal to or greater than the minimum percentages listed above (exceptions may apply).	
Note: For **Massachusetts** a rate of 5% is applicable if the total distribution is equal to or less than $1,083,150. If the total distribution is greater than $1,083,150, we will withhold at 9% of the amount which exceeds $1,083,150, see Form M-4P at mass.gov for more information.	
Mandatory state income tax withholding when federal income tax is withheld, unless you indicate otherwise	
AR, CA, CT, DC, IA, MD, MI, MN, MS, NC, OK, OR - We will withhold state income tax according to the rates below whenever federal income tax is withheld from your distribution, unless you indicate otherwise:	
Arkansas	3.00% of Gross Distribution
California - For more information on withholding using the DE 4P table, see taxes.ca.gov.	10.00% of Federal Income Tax Withheld
Connecticut - Withholding is mandatory whether federal income tax is withheld or not. For more information see Form CT W-4P at CT.gov about withholding and the exemption.	6.99% of Gross Distribution
District of Columbia - Income tax withholding on total distributions is mandatory (whether federal income tax is withheld or not) and voluntary for all other types of distributions.	10.75% of Total Distribution
Iowa - Mandatory state income tax withholding. We will withhold state income tax according to the rate displayed unless you indicate otherwise. Alternatively, you can claim exemptions of Iowa income tax withholding in certain circumstances. In absence of claiming an exemption of withholding, we withhold at 5%. For more information, see Form IAW–4P at iowa.gov.	3.80% of Gross Distribution
Maryland	7.75% of Gross Distribution
Michigan - Mandatory state income tax withholding. We will withhold state income tax according to the rates displayed unless you indicate otherwise. For more information, see Form MI W–4P at michigan.gov.	4.25% of Gross Distribution
Minnesota - Mandatory state income tax withholding. We will withhold state income tax according to the rate you provide us which should be based on the Minnesota Withholding Tax Tables found at Minnesota Withholding Tax Instructions and Tables (revenue.state.mn.us). Alternatively, you may be eligible to elect out of Minnesota income tax withholding. In absence of providing us a rate of withholding or an election out of withholding, we withhold at 6.25%.	MN Withholding Tax Tables
Mississippi - Income tax withholding on early or excess distributions is mandatory (whether federal income tax is withheld or not) and voluntary for all other types of distributions.	4.40% of Gross Distribution
North Carolina	4.00% of Gross Distribution
Oklahoma - We withhold at 4.75 or zero percent. For more information, see Form OK-W-4-R at oklahoma.gov.	4.75% of Gross Distributuion
Oregon	8.00% of Gross Distribution

Note: If you want state income tax withholding at a different rate (or no state income tax withholding), check the box "Do not withhold state income tax" in the Withholding Tax Election Section of your IRA Distribution Request Form or specify a dollar amount or a percentage to indicate your state income tax withholding election.

Please refer to https://www.irs.gov/pub/irs-pdf/fw4r.pdf as the source for the marginal rate tables:

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 page 2 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.

The information below is from the IRS Form W-4R and is for informational purposes only. Please ensure you complete the appropriate distribution form section for federal income tax withholding.

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.

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 on line 2. 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-" on line 2. 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.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can't choose withholding at a rate of less than 20% (including "-0-"). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don't give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying "hardship" distributions;
- Distributions required by federal law, such as required minimum distributions;
- Distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding above*.

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-" on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate's employer identification number (EIN) in the area reserved for "Social security number."

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (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 on page 1 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.

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 on line 2. *(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 on line 2. *(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 on line 2.

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" on line 2.

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" on line 2.