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# Account Closure Form

Traditional | Roth | SEP | SIMPLE

PTC IRA Account Number

**Account closures are processed within 10-14 business days. Expedited service is not available for this request.**

## SECTION 1 | IRA Account Owner Information

First Name  Last Name  Last 4 Digits of SSN  DOB (MM/DD/YY)

Daytime Phone Number  Email

Address  City  State  Zip Code

## SECTION 2 | Reason for Account Closure

Reason for Account Closure

## SECTION 3 | Distribution Election (See Additional Information included with this form for instructions to Form W-4P Withholding Certificate.)

Select the type of distribution requested:

- Normal Distribution (age 59 1/2 or older)
- Premature Distribution (**No Exception Applies**)
- Premature Distribution (**Exception Applies**) If you selected Premature Distribution (**Exception Applies**) the following exceptions are allowable as defined by the IRS in Publication 590; death, disability, medical expenses and insurance, IRS levy, first home (buy, build or rebuild), reservist, annuity, and higher education expenses. See Additional Information for more details.

## SECTION 4 | Investment Distribution Election (if applicable)

Election 1  I **do not** have investments in my IRA Account.

Election 2  I elect to have my investment(s) in my IRA Account distributed **directly to me**.

**If you selected Election 2 above, you must complete an In-Kind Asset Distribution Form in addition to the Account Closure Form.**

## SECTION 5 | Disbursement Amount and Method

### DISTRIBUTION/PAYMENT DETAIL

Total IRA Account Value of Investments (if applicable)	\$	<input type="text"/>	<b>NOTE:</b> Preferred Trust Company is required to report the total value of all investments in the IRA to the IRS at the time of distribution from the IRA.
Total IRA Account Value of Cash	\$	<input type="text"/>	<b>NOTE:</b> Preferred Trust Company is required to report the total value of all cash in the IRA to the IRS at the time of distribution from the IRA. This is also the amount used to calculate the cash distribution minus the fee and tax withheld options below.
Account Closure Fee	(-)	<input type="text"/>	<b>NOTE:</b> Preferred Trust Company will assess an Account Termination Fee of <b>\$300.00</b> to your IRA Account before the account is closed.
Wire Fee (if applicable)	(-)	<input type="text"/>	<b>NOTE:</b> Preferred Trust Company will assess an Wire Fee of <b>\$30.00</b> to your IRA Account before the account is closed if the Delivery Method selected below is wire.
Federal Income Tax Withheld (if applicable)	(-)	<input type="text"/>	<b>NOTE:</b> You <b>must</b> put an amount even if it is zero. If left blank Preferred Trust Company may be required to withhold 10% depending upon the distribution type identified in Section 3. Preferred Trust Company will process this amount to the IRS. <b>An investment only distribution cannot designate tax to be withheld.</b>
State Income Tax Withheld (if applicable)	(-)	<input type="text"/>	<b>NOTE:</b> You <b>must</b> put an amount even if it is zero. If an amount is displayed, Preferred Trust Company will process to the applicable state completed in Section 1 of this form. <b>An investment only distribution cannot designate tax to be withheld.</b>
Net Amount Distributed in Cash	\$	<input type="text"/>	<b>NOTE:</b> If the amount entered in the Net Amount Distributed is not accurate to the deductions entered in Account Closure Fee and Wire Fee (if applicable) and federal and/or state withholdings, Preferred Trust Company will adjust according to the amounts entered and process the distribution request.

### DELIVERY METHOD

**\*Direct Deposit/Wire Instruction:** Preferred Trust Company recommends sending a copy of a **VOIDED** check to confirm the bank account and routing numbers before the distribution is processed. If a voided check is not provided, Preferred Trust Company cannot be held accountable for inaccurate banking information provided and if applicable your account will be assessed a \$30.00 fee for a returned payment.

**Direct Deposit\*** | 2 business days processing time (No additional fee applies.)

Name of Financial Institution	<input type="text"/>	Account Type	<input type="radio"/> Checking	<input type="radio"/> Savings	
Name on Account	<input type="text"/>	Bank Account Number	<input type="text"/>	ACH Routing Number	<input type="text"/>

**Wire\*\*** | 1 business day (A \$30.00 wire fee will be assessed from your IRA Account.)

Name of Financial Institution	<input type="text"/>	Account Type	<input type="radio"/> Checking	<input type="radio"/> Savings	
Name on Account	<input type="text"/>	Bank Account Number	<input type="text"/>	Wire Routing Number	<input type="text"/>

## SECTION 6 | Acknowledgement

I certify that the information contained on this form is true and correct. I direct Preferred Trust Company as Custodian to close my IRA account as set forth in this form. I understand I should seek the guidance of a tax or legal professional with regard to this decision. I understand that if I establish a separate conduit account, it is my responsibility to keep my conduit account separate from my other accounts. I understand that Preferred Trust Company as Custodian cannot provide legal advice. I indemnify and agree to hold Preferred Trust Company as Custodian harmless against any liabilities. I assume full responsibility for the consequences of this account closure decision.

Signature of IRA Account Owner  Date

### INTERNAL USE ONLY

Verified  of  
(Initials and Date)

## ADDITIONAL INFORMATION

**Purpose.** The Account Closure form is designed to assist you in closing your account. This form does not allow for cost and penalty-free SIMPLE IRA transfers from a designated financial institution (DFI). Your DFI will require additional documentation, such as an election form.

**Additional Documents.** A transfer can avoid income and penalty taxes. A conversion by transfer is a taxable event that avoids penalty taxes. For your transfer or conversion to be successful, additional contribution and distribution documentation may be required by your IRA's custodian.

**For Additional Guidance.** It is in your best interest to seek the guidance of your tax or legal professional before completing this document. For more information refer to Internal Revenue Service (IRS) Publication 590-Individual Retirement Arrangements, IRS Publication 505-Tax Withholding and Estimated Tax, instructions to your federal income tax return, your local IRS office, or the IRS website at [www.irs.gov](http://www.irs.gov).

**Terms.** A general understanding of the following terms may be helpful in completing your transactions.

**Conversion.** A conversion is a reportable movement of assets from a traditional IRA or SIMPLE IRA to a Roth IRA.

**In Kind.** If an IRA contains stocks, bonds, mutual fund shares, or other types of property, it may be possible to move such property to an IRA without liquidation. This type of "in-kind" transfer or conversion would require that the property be re-registered in the name of the transferee custodian for the benefit of your IRA. The transferee's policies, charters, or applicable law may prevent the transfer of property. Time deposits and savings accounts are not transferable.

**Two-Year Rule.** SIMPLE IRA funds cannot be transferred to a traditional IRA or converted to a Roth IRA within a two-year period that begins on the date of the initial contribution to your SIMPLE IRA. SIMPLE IRA funds transferred or converted during the two-year period are subject to an additional 25% excise tax. You may, however, roll over to transfer a SIMPLE IRA to a SIMPLE IRA within the two-year period.

**Conduit IRA.** Retirement funds originally rolled over from certain employer-sponsored eligible retirement plans may have been maintained in a separate "conduit IRA" not commingled with any other types of IRA contributions. Check with your tax or legal professional to determine if you need to continue to maintain these funds in a separate conduit IRA when they are transferred to a different custodian.

**Withholding of Federal Income Tax.** Generally, federal income tax withholding applies to your IRA distributions. The methods and rate on withholding depends on (a) the type of distribution you receive, (b) whether the distribution is delivered outside the United States to its possessions, and (c) whether you (or your beneficiary after your death) are a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are nontaxable and, therefore, not subject to withholding. Because your tax situation may change from year to year, you may want to change your withholding election each year. You can change the amount to be withheld by using IRS Form W-4P or an appropriate substitute form.

**Transfer of Account.** This form will not be accepted as a request to transfer an account to another custodian or financial institution. Transfer documentation from the new custodian or financial institution is required in order to process a transfer or conversion to another custodian from Preferred Trust Company.

**Nonperiodic Payments - 10% Withholding.** Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Your IRA custodian must withhold at a flat 10% rate from your IRA distributions unless you choose not to have federal income tax withheld. You can choose not to have income tax withheld from a nonperiodic payment by using IRS Form W-4P or an appropriate substitute form and providing your correct tax identification number (TIN). Generally, your choice to have income tax withheld or not will apply to any later distribution from your IRA. You may also specify an additional amount that you want withheld.

**Caution.** If you do not provide your correct TIN, your IRA custodian cannot honor your request not to have income tax withheld and must withhold 10% of the payment for federal income tax.

**Choosing Not to Have Income Tax Withheld.** You (or in the event of death, your beneficiary or estate) can choose not to have income tax withheld from your payments by using Form W-4P or an appropriate substitute form. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. The executor/representative must provide the estate's TIN/employer identification number (EIN).

**Caution.** There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, should see IRS Publication 505, Tax Withholding and Estimated Tax. It explains the estimated tax requirements and describes penalties in detail.

**Changing Your "No Withholding" Choice.** If you previously chose not to have income tax withheld and you now want 10% withholding, write "Revoked" next to the check box on line 1 of IRS Form W-4P and provide a copy to your IRA custodian. To the extent you want a greater amount withheld, complete a new Form W-4P or an appropriate substitute form for your IRA custodian.

**Payments to Foreign Persons and Payments Outside the United States.** Unless you are a nonresident alien, withholding (in the manner described above) is required on non periodic payments that are delivered to you outside the United States or its possessions. You cannot choose not to have income tax withheld Form W-4P. See IRS Publication 505, Tax Withholding and Estimated Tax for additional details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% withholding tax under IRC Section 1441 on the taxable portion of a nonperiodic pension or annuity payment that is from U.S. sources. However, most tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See IRS Publication 515 Withholding of Tax of Nonresident Aliens and Foreign Entities, and IRS Publication 519, U.S. Tax Guide for Aliens, for details. A foreign person should submit IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, to the IRA custodian before receiving any payments. The Form W-8BEN must contain the foreign person's TIN.

If you are a foreign person who has provided an IRA custodian with IRS W-8BEN, the IRA custodian will furnish a statement to you on IRS Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, by March 15 of the next year.

**State Withholding.** Your state may allow or require state income tax withholding on any taxable distribution.

**Local Withholding.** Your local governing authority may allow or require local income tax withholding on any taxable distribution.