

**Benefits Plus**

2424 Harrodsburg Road, Suite 207

Lexington, KY 40503

admin@benefitsplusky.com

859-554-3115

**Subject:** Action Required – AME Church Settlement Payment

Dear AME Church Retirement Participant,

We are writing to inform you that you may be eligible to take a distribution of your awarded Net Settlement Amount under certain circumstances.

You may request a distribution if any of the following apply:

- You are no longer employed with the company (terminated or retired employee)
- There has been a death of the participant (distribution to beneficiary)
- You are experiencing a financial hardship that meets AME Church Plan guidelines (limited to 80% of the participant's balance)
  - Purchase or construction of personal residence
  - Excessive medical expenses
  - Education expenses

To initiate a distribution, please complete the enclosed **AME Church Participant Settlement Distribution Request Form**. It is important that all required sections are filled out accurately to avoid delays in processing.

Once completed, please return the form using one of the following methods:

- **Email:** admin@benefitsplusky.com
- **Mail:** Benefits Plus  
2424 Harrodsburg Road, Suite 207  
Lexington, KY 40503

If you have any questions or need assistance completing the form, please contact our team at 859-554-3115 or via email at admin@benefitsplusky.com.

Thank you for your attention to this matter.

Sincerely,

**Benefits Plus**

**African Methodist Episcopal (AME) Church – Participant Settlement Distribution  
Request Form**

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**Section 1: Participant Information**

- **Full Name:** \_\_\_\_\_
  - **Social Security Number:** \_\_\_\_\_
  - **Date of Birth:** \_\_\_\_\_
  - **Mailing Address:** \_\_\_\_\_  
\_\_\_\_\_
  - **Phone Number:** \_\_\_\_\_
  - **Email Address:** \_\_\_\_\_
- 

**Section 2: Reason for Distribution (Check One)**

**Termination of Employment**

- **Termination Date:** \_\_\_\_\_ or **Retirement Date:** \_\_\_\_\_

**Hardship Distribution** *(Must meet Plan criteria; documentation required)*

- Purchase or construction of personal residence
- Excessive medical expenses
- Education expenses

**Death of Participant** *(Complete Section 7 for beneficiary information. Must provide a death certificate.)*

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**Section 3: Type of Distribution Requested (Check One)**

- Full Distribution** – I elect to receive the entire vested balance.
- Direct Rollover** – I elect to roll over my eligible distribution to:
  - Traditional IRA *(Provide account details in Section 4.)*
  - Qualified Employer Plan *(Provide plan details in Section 4.)*

**Annuity Option** – I elect to receive my benefit as a periodic annuity payment. *(You will be contacted with annuity details. Additional paperwork may be required.)*

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**Section 4: Payment Method (Check One)**

**Check** – Mailed to the address above

**ACH (Direct Deposit)** – Provide banking details below:

- **Bank Name:** \_\_\_\_\_
- **Routing Number:** \_\_\_\_\_
- **Account Number:** \_\_\_\_\_
- Checking  Savings

**Rollover**

- **Receiving Institution Name:** \_\_\_\_\_
- **Account Type:** \_\_\_\_\_
- **Account Number:** \_\_\_\_\_
- **Mailing Address for Rollover Check:** \_\_\_\_\_  
\_\_\_\_\_

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**Section 5: Federal Tax Withholding Notice**

Federal law requires a mandatory 20% withholding on eligible rollover distributions unless rolled over directly to another qualified employer plan or IRA. Additional state taxes may apply. You may owe more or less depending on your tax situation. Consult a tax advisor before making your election.

- **Hardship distributions** are subject to income tax and may be subject to a 10% early withdrawal penalty if under age 59½.
- **Death distributions** may be taxable to the beneficiary depending on the form of payment and beneficiary type.

This distribution includes pre-tax assets being paid out as cash and is therefore subject

to the mandatory 20% withholding. To include a different withholding amount, indicate the percentage below:

Withhold federal income taxes at the rate of \_\_\_\_\_ % (*Must be 20% or greater; whole % only*)

This is a rollover request, for which withholding does not apply.

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### **Section 6: State Tax Withholding Notice**

State income tax withholding may apply to your retirement plan distribution depending on your state of residence and the type of distribution. Some states require mandatory withholding if federal income tax is withheld, while others allow you to elect whether or not to have state tax withheld.

Please consult your tax advisor or your state's tax authority to understand your specific withholding requirements. If you elect to have state tax withheld, indicate the percentage below.

Do not withhold state taxes unless required by law

Withhold state taxes at the applicable rate

Withhold state taxes at the rate of \_\_\_\_\_ %

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### **Section 7: Beneficiary Information (For Death Distributions)** (*Must provide a death certificate*)

- **Beneficiary Name:** \_\_\_\_\_
  - **Relationship to Participant:** \_\_\_\_\_
  - **SSN or Tax ID:** \_\_\_\_\_
  - **Mailing Address:** \_\_\_\_\_  
\_\_\_\_\_
  - **Phone Number:** \_\_\_\_\_
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## **Section 8: Participant Certification**

I certify that the information provided is accurate and that I am eligible for a distribution under the plan terms. I understand the tax implications and have consulted a financial or tax advisor as needed.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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### **Submission Instructions**

Please submit the completed form via:

**Email: [admin@benefitsplusky.com](mailto:admin@benefitsplusky.com)**

or

**Mail: Benefits Plus  
2424 Harrodsburg Rd, Suite 207  
Lexington, KY 40503**

**Distributions will be processed as soon as administratively feasible.**

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### **FOR MORE INFORMATION**

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

# Federal and State Tax Withholding— Retirement Plan Withdrawals

## Helpful to Know

- Federal and state tax withholding rules can change, and the information cited below may not reflect the current withholding from a federal or state perspective. Consult your tax advisor, the IRS, and/or your state-taxing authority to obtain the most up-to-date information pertaining to your situation.
- The IRS requires us to provide you with the Marginal Rate Tables and the Tax Withholding Instructions from the *IRS Form W-4R*.
- Each state sets its own withholding rates and requirements on taxable distributions. We apply these rates unless you direct us not to (where permitted) or you request a higher rate.
- Your account's legal/residential address determines which state's tax rules apply. You should confirm with your investment professional 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.
- Withholding taxes for Roth IRA distributions is optional.
- The federal and/or state tax withholding rate, if indicated, must be provided as a whole number from 1% to 100% for any one-time withdrawals, or from 1% to 99% for any automatic withdrawals.

## Federal Tax Withholding Information

### 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 *General Instructions* section for more information on how to use this table. (Note: This is an excerpt from the *IRS Form W-4R*. For the complete copy, please go to [IRS.gov/pub/irs-pdf/fw4r.pdf](https://www.irs.gov/pub/irs-pdf/fw4r.pdf).)

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.

## General Instructions on Federal Tax Withholding

**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. 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. 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 new withholding election.

**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%.

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

## **Specific Instructions for IRS Form W-4R**

### **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.

## State Tax Withholding Information

Your state of residence will determine your state income tax withholding requirements, if any. Please refer to the list below. Your state of residence is determined by your legal address of record provided for your Retirement Plan. Withholding is applied to the taxable portion of your distribution. The information provided is general in nature and should not be considered legal or tax advice. Please contact your investment representative, tax advisor, or state-taxing authority for assistance.

If your legal state of residence is:	Your withholding requirements are:
IA <sup>1</sup> , MA <sup>2</sup> , NE, VA, VT	If federal income tax is withheld, state income tax of at least your state's minimum requirements must be withheld in addition to federal income tax withholding at the time of your distribution. If you elect out of federal income tax withholding, state income tax will not be withheld, unless you indicate otherwise.
CA, DE <sup>3,4</sup> , GA, NC <sup>3,4</sup> , OK, OR	If federal income tax is withheld, state income tax of at least your state's minimum requirements must be withheld in addition to federal income tax withholding at the time of your distribution, unless you elect not to have state income taxes withheld.
AR <sup>3,4</sup> , CT, MI	State income tax applies regardless of whether or not federal income tax withholding is applied to your distribution. Tax withholding is not required if you meet certain state requirements governing retirement benefits. Please reference the AR, CT, or MI <i>IRS Form W-4P</i> for additional information about calculating the amount to withhold from your distributions.
DC	If you take a distribution of your entire account balance and do not directly roll 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. If not taking a full distribution, see the <i>All Other States</i> section.
MD <sup>3</sup>	See the <i>All Other States</i> section.
ME	For periodic distributions, state income tax will apply regardless of whether or not federal income tax withholding is applied to your distribution unless you elect not to have state income tax withheld. For one-time distributions, state withholding will apply if federal withholding is applied.
KS <sup>3,4</sup> , MN, MS <sup>5</sup>	State income tax applies regardless of whether or not federal income tax withholding is applied to your distribution, unless you elect not to have state income taxes withheld. State withholding is required for premature and removal of excess distributions.
AK, FL, HI, NH, NV, SD, TN, TX, WA, WY	State income tax withholding is not available on your Retirement Plan distributions.
All Other States	You are not subject to mandatory state income tax withholding, however, you may elect voluntary state income tax withholding in a percentage. If you elect to have state income taxes withheld and your state provides a minimum amount or percentage for withholding, you must elect a percentage that is not less than your state's minimum withholding requirements. If the percentage you elect for withholding is less than your state's minimum withholding requirements, your state's minimum amount or percentage will be withheld. For more information, contact a tax advisor or your state-taxing authority.

<sup>1</sup> If your distribution is considered qualified retirement income, you may elect not to have state income tax withheld.

<sup>2</sup> If your payment is over \$1,053,750 (subject to adjustment), an additional 4% of state income tax will be applied to the distribution amount over this threshold.

<sup>3</sup> No election of state withholding is allowed if the payment is an Eligible Rollover Distribution.

<sup>4</sup> In some cases, state tax may be required to be withheld even if normally you may choose no withholding. If distributions are made outside the U.S. or a U.S. possession, where a TIN is missing on the account, or the IRS notifies us that the TIN is incorrect, state tax withholding is required.

<sup>5</sup> Withholding is required for premature and removal of excess distributions.

Important: Federal and/or state tax withholding rules can change, and the information cited above may not reflect the current legislation and/or ruling of your state. Consult with your tax advisor, the IRS, or your state-taxing authority to obtain the most up-to-date information pertaining to your situation.

This tax information is for informational purposes only, and should not be considered legal or tax advice. Always consult a tax or legal professional before making financial decisions.

We do not provide tax or legal advice and we will not be liable for any decisions you make based on this or other general tax information we provide.