

- ▶ Currently, trustee-to-trustee transfers are the only acceptable method to move monies between Inherited IRAs. To request a transfer of assets or direct rollover between custodians, use our **Transfer of Assets / Direct Rollover Form** and talk with your current custodian.
- ▶ Redemption requests in excess of \$100,000 for Investor Shares require a Medallion Guarantee Stamp.
- ▶ Inherited IRA assets cannot be held indefinitely (see IRA Disclosure for more information). We strongly encourage you to consult a qualified tax professional to see if you are subject to an annual required minimum distribution. This generally starts the year following the IRA owner's death.

Fax or mail this application, along with any other required documents, to:

▶ **Regular mail:**

BlackRock Funds
P.O. Box 534429
Pittsburgh, PA
15253-4429

▶ **Overnight mail:**

BlackRock Funds
Attention: 534429
500 Ross Street 154-0520
Pittsburgh, PA 15262

Fax: 844-569-5573



Questions? Call us at 1-800-441-7762, Monday through Friday between 8:00 AM and 6:00 PM ET or visit us online at www.blackrock.com.

1. IRA Owner (Deceased) and Beneficiary Information

Name

Social Security Number

Date of Birth(mm/dd/yyyy)

Date of Death(mm/dd/yyyy)

Important: If the owner of a traditional, SEP or SIMPLE IRA died on or after the Required Beginning Date for RMD distributions (see Required Beginning Date on the last page of this document) and had not distributed their RMD amount due in the year of death, the amount must be distributed to the beneficiary(ies) prior to establishing an Inherited IRA.

As the designated beneficiary, trustee, executor, or personal representative I certify that the IRA owner's RMD, due in the year of death, has been satisfied.

Year of Death

Beneficiary, Trustee, Executor, Authorized Representative (or Responsible Individual, if beneficiary is a minor) Information:

Name

Contact Phone Number

Social Security Number or EIN

Under which the Inherited IRA account is registered

Type of Beneficiary (choose one):

Spouse – person married to the IRA owner as of their date of death

Non-spouse individual beneficiary of the original owner (if you are the beneficiary of an account already registered as an Inherited IRA choose Successor Beneficiary below)

Minor child of the original IRA owner

An entity such as an estate, charity, or trust (other than a qualified "look-through" trust)

A qualified "look-through" trust; the owner died in 2019 or prior. By choosing this election I affirm I have consulted a qualified tax and/or legal professional and this trust is eligible for life expectancy distributions based on the date of birth of the oldest beneficiary of the trust (mm/dd/yyyy): _____

A qualified "look-through" trust; the owner died on or after 1/1/2020. By choosing this election I affirm I have consulted a qualified tax and/or legal professional and affirm the trust meets all requirements for life expectancy distributions to be made based on the date of birth (mm/dd/yyyy): _____

Successor beneficiary or second-generation beneficiary (the original owner's beneficiary named you as the beneficiary of their Inherited IRA)

2. Inherited IRA Account Information

Please complete one option below

I have an existing Inherited IRA – Enter your Account Number: _____

I am establishing a new Inherited IRA and an application is attached for (select one) Traditional IRA Roth IRA

Important: If the Inherited IRA is/was transferred from another institution, please provide the prior year-end account value. Prior year-end account value \$ _____

3. Election for One-Time Distribution – Choose One

Important: Required distributions must generally commence by the end of the year following the year of death. Any amount distributed from an Inherited IRA account cannot be redeposited back into the account.

All distributions from Inherited IRAs are reported as death distribution on IRS Form 1099-R under Code 4 in Box 7.

Liquidate Entire Account (skip to Section 6 Delivery Instructions)

One-Time Partial Distribution - Dollar Amount \$ _____ (or) Shares _____
(skip to section 5 Distribution allocation)

4. Election for Systematic Withdrawal

Important: Required distributions must commence by the end of the year following the year of death. Any amount distributed from an Inherited IRA account cannot be redeposited back into the account. All distributions from Inherited IRAs are reported as death distribution on IRS Form 1099-R under Code 4 in Box 7.

Specify your automatic withdrawal plan type below. Due to passage of the SECURE Act legislation, distribution rules for IRA beneficiaries have changed. You should consult a tax advisor prior to completing this form.

- If the original account owner passed away in 2019 or before, complete 4a, skip 4b, and complete 4c
- If the original account owner passed away in 2020 or after, skip 4a and complete 4b and 4c

4a. Systematic Distribution Options – Owner Passed On Or Prior To December 31, 2019

Periodic Distribution of a Specific Dollar Amount \$ _____ If you choose this option rather than one of the options offered below, you may not meet the RMD requirements for your account. You are responsible for ensuring that RMD requirements are met.

Periodic Distribution – Five-Year Rule – Available to designated beneficiaries, trust, charity, entity, or estate beneficiaries when the date of death is prior to the owner's Required Beginning Date for RMDs – This option is always available for Inherited Roth IRAs.

Amount of each payment will vary. The custodian will calculate the amount of each payment by dividing the balance of each fund on the business day prior to each distribution by the remaining number of payments. The number of payments will be based on start date and frequency you select in section 4c and an end date of the 5th year after the year of death provided in section 1. Please note: You are responsible for ensuring that the full balance is redeemed by 12/31 of the 5th year.

Calculate Life Expectancy Distributions – Select One Option Below

Available to designated beneficiaries and qualified "look-through" trust beneficiaries regardless of the age of the owner at time of death and to non-qualified "look-through" trust, charity, entity, or estate beneficiaries when the date of death is on or after the owner's Required Beginning Date for RMDs.

Spouse or a Trust with the spouse as sole beneficiary of the trust which meets the provisions of a qualified "look-through" trust, as defined in IRS Publication 590-B *Distributions from Individual Retirement Arrangements (IRAs)*.

Use spouse beneficiary's single life expectancy recalculated each year

Spouse or a Trust with the spouse as beneficiary of the trust which meets the provisions of a qualified "look-through" trust, as defined in IRS Publication 590-B *Distributions from Individual Retirement Arrangements (IRAs)*. Use spouse beneficiary's single life expectancy calculated in the year following the year of death reduced by one each year thereafter

Non-Spouse Beneficiary life expectancy calculated in the year following the year of death reduced by one for each year after.

Note: If the owner died on or after their Required Beginning Date for RMD and had a longer life expectancy based on their age at the time of their death, the owner's life expectancy will be used.

Qualified "look-through" trust as defined in IRS Publication 590-B *Distributions from Individual Retirement Arrangements (IRAs)* and the owner died in 2019 or prior. By choosing this election I affirm I have consulted a qualified tax and/or legal professional and this trust is eligible to use a life expectancy calculation and I am providing the date of birth of the oldest beneficiary of the trust. **Date** (mm/dd/yyyy): _____

Note: If the owner died on or after their Required Beginning Date for RMD and had a longer life expectancy based on their age at the time of their death, the owner's life expectancy will be used.

Charity, estate, or a trust other than a qualified "look-through" trust, or other entity beneficiary. The owner's date of death was on or after their Required Beginning Date for RMDs, and payments are calculated based on the owner's age at the time of their death.

4b. Systematic Distribution Options - Owner Passed Away On Or After January 1, 2020

Periodic Distribution of a Specific Dollar Amount \$_____ If you choose this option rather than one of the options offered below, you may not meet the RMD requirements for your account. You are responsible for ensuring that RMD requirements are met.

Periodic Distribution - Five-Year Rule - Available to trust, charity, entity, or estate beneficiaries when the date of death is prior to the owner's Required Beginning Date for RMDs - This option is always available for Inherited Roth IRAs. The amount of each payment will vary. The custodian will calculate the amount of each payment by dividing the balance of each fund on the business day prior to each distribution by the remaining number of payments. The number of payments will be based on start date and frequency you select in section 4c and an end date of the 5th year after the year of death provided in section 1. Please note that you are responsible for ensuring the full balance is redeemed by 12/31 of the 5th year.

Periodic Distribution - Ten-Year Rule - Available to Designated Beneficiaries who are not Eligible Designated Beneficiaries without regard to whether the date of death is prior to or on/after the owner's Required Beginning Date for RMDs - This option is always available for all Inherited IRAs with a Designated Beneficiary who is not an Eligible Designated Beneficiary.

The amount of each payment will vary. The custodian will calculate the amount of each payment by dividing the balance of each fund on the business day prior to each distribution by the remaining number of payments. The number of payments will be based on start date and frequency you select in section 4c and an end date of the 10th year after the year of death provided in section 1. Please note that you are responsible for ensuring the full balance is redeemed by 12/31 of the 10th year.

Calculate Life Expectancy Distributions - Select One Option Below Available to Eligible Designated Beneficiaries and qualified "look-through" trust beneficiaries, regardless of the age of the owner at time of death and to a non-qualified trust, charity, entity, or estate beneficiaries when the Date of Death of the Deceased original owner is on or after their Required Beginning Date for RMDs.

Spouse or a Trust with the spouse as sole beneficiary of the trust which meets the provisions of a qualified "look-through" trust, as defined in IRS Publication 590-B *Distributions from Individual Retirement Arrangements (IRAs)*. Use spouse beneficiary's single life expectancy recalculated each year

Spouse or a Trust with the spouse as sole beneficiary of the trust which meets the provisions of a qualified "look-through" trust, as defined in IRS Publication 590-B *Distributions from Individual Retirement Arrangements (IRAs)*. Use spouse beneficiary's single life expectancy calculated in the year following the year of death reduced by one each year thereafter

Eligible Non-Spouse Beneficiary life expectancy calculated in the year following the year of death reduced by one for each year after.

Note: If the eligible non-spouse beneficiary is a minor child of the beneficiary who will no longer be an eligible designated beneficiary once they reach majority age they are responsible for ensuring the account is closed by the end of the 10th year following the year they reach the age of majority. These calculated distributions will not close the account automatically.

Note: If the owner died on or after their Required Beginning Date for RMD and had a longer life expectancy based on their age at the time of their death, the owner's life expectancy will be used.

A qualified "look-through" trust; the owner died on or after 1/1/20. By choosing this election I affirm I have consulted a qualified tax and/or legal professional and affirm the trust meets any and all requirements for life expectancy distributions to be made based on this date of birth Date (mm/dd/yyyy):_____

Note: If the owner died on or after their Required Beginning Date for RMD and had a longer life expectancy based on their age at the time of their death, the owner's life expectancy will be used.

Non-qualified trust, charity, entity, or estate beneficiaries when the date of death is on or after the owner's Required Beginning Date for RMDs and payments are calculated based on the owner's age at the time of their death.

4c. Systematic Distribution Cycle

Begin systematic distributions on: _____ **Frequency** (choose one):
Date (mm/dd/yyyy) Monthly Quarterly Semi-Annually Annually

If this form is received after the date selected it will be processed immediately upon receipt. Future payments will be established with the date listed. If a frequency is not selected, your payments will be distributed annually on the 20th of the next available month.

5. Distribution Allocation

Amounts distributed from an Inherited IRA are not rollover eligible. Amounts mistakenly distributed cannot be redeposited back into the account.

Choose one: Distribute proportionately across all fund positions **OR** Distribute as indicated below:

Fund: _____ Percentage: _____%

Fund: _____ Percentage: _____%

Fund: _____ Percentage: _____%

IMPORTANT NOTE: If you choose this option and any fund position noted above is subsequently liquidated, or closed, you are responsible for contacting the custodian to reallocate your fund percentages. Failure to do so could result in delays in the distribution of your assets. The custodian assumes no responsibility for monitoring or adjusting your allocation election in future years. The total for all funds listed must equal 100%. If you require additional space to list funds, please attach a separate sheet with all funds and the percent to take from each fund.

6. Delivery Instructions

Complete the section below to tell us where to send your proceeds. If no option is selected, a check will be sent to your address of record by regular mail. For proper tax reporting, you must sign in **Section 8**.

Send the distribution via check to my address of record.

ACH (No Fee. Arrives within 48-72 hours.)

Send proceeds overnight (\$15 fee)

Wire (\$7.50 per fund. Received next business day.)

Waive signature for overnight delivery

Send proceeds to my bank account (*THE BANK ACCOUNT REGISTRATION MUST INCLUDE THE NON-SPOUSE, TRUST, ESTATE OR ENTITY BENEFICIARY):

Complete this section below and **attach a bank statement, voided check, or savings deposits slip (showing the bank account number & registration)**. Your bank may have a different ABA # for wires and may charge you a fee to receive the wire. **(A Medallion Signature Guarantee will be required to send funds to a bank account not already on file.)**

Name of Bank

ABA routing number (9 digits)

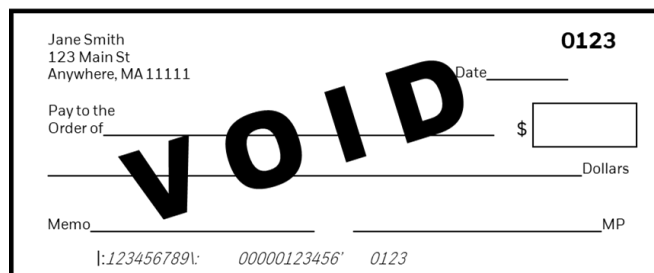
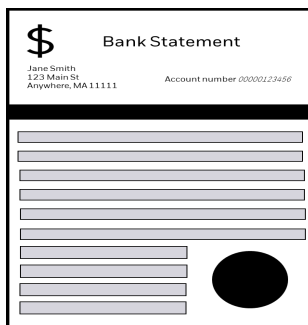
Full name of bank account owner

Account number at your bank

Full name of joint bank account owner

Checking

Savings



7a. Federal Tax Withholding Election (applies to all Inherited IRAs including Roth Inherited IRAs)

Federal income tax will be withheld at the rate of 10% from any distribution, subject to the IRS withholding rules, unless you elect a different option below. Tax will be withheld on the gross amount of the payment even though you may be receiving amounts that are not subject to withholding because they are excluded from gross income. This withholding procedure may result in excess withholding on the payments. If you elect to have no federal taxes withheld from your distribution, or if you do not have enough federal income tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. You understand that your below election will remain in effect until such time as you make a different election with the Custodian. If neither box is selected, this will result in a default 10% withholding.

I elect federal income tax withholding of 0%, do not withhold federal income tax from my distributions.*

I elect federal income tax withholding of _____% (must be a whole percent, between 1% to 100%)*

See the attached Form W-4R Withholding Certificate for Nonperiodic Payments which has the **Marginal Rate Tables** and **"Suggestion for determining withholding"** instructions. You may use these tables and instructions to help you select the appropriate withholding rate.

*Generally, you can't elect less than 10% federal income tax withholding for payments to be delivered outside the United States and its possessions.

7b. State Tax Withholding Election (applies to all Inherited IRAs including Roth Inherited IRAs)

Your state of residence will determine your state income tax withholding requirements, if any. Those states with mandatory withholding may require state income tax to be withheld from payments if federal income taxes are withheld or may mandate a fixed amount regardless of your federal tax election. Voluntary states let individuals determine whether they want state taxes withheld. Some states have no income tax on retirement payments. Please consult with a tax advisor or your state's tax authority for additional information on your state's requirements. If you are completing this form, your below election will remain in effect until such time as you make a different election in writing to the Custodian.

I elect **NOT TO** have state income tax withheld from my retirement account distributions (only for residents of states that do not require mandatory state tax withholding).

I elect **TO** have the following dollar amount or percentage withheld from my retirement account distribution for state income taxes (for residents of states that allow voluntary state tax withholding). \$ _____ or _____%

8. Authorization

I certify that I am the individual authorized to make these elections and that all information provided is true and accurate. I further certify that the Custodian, the sponsor, or any agent of either of them has given no tax or legal advice to me, and that all decisions regarding the elections made on this form are my own. The Custodian is hereby authorized and directed to distribute funds from the account in the manner requested. The Custodian may conclusively rely on this certification and authorization without further investigation or inquiry. I expressly assume responsibility for any adverse consequences which may arise from the election(s) and agree that the Custodian, sponsor, and their agents shall in no way be responsible, and shall be indemnified and held harmless, for any tax, legal or other consequences of the election(s) made on this form.

I acknowledge that:

- ▶ I am authorized to make these elections and that all information provided is true and accurate.
- ▶ That no tax or legal advice has been given to me by the Custodian (BNY Mellon Asset Servicing, Inc.), the Fund, or any agent of either of them, and that all decisions regarding the elections made on this form are my own.
- ▶ The Custodian is authorized to distribute funds from my account in the manner requested. The Fund may conclusively rely on this certification and authorization without further investigation or inquiry.
- ▶ I assume responsibility for any adverse consequences that may arise from the election(s) and agree that the Fund and their agents shall in no way be responsible, and shall be indemnified and held harmless, for any tax, legal or other consequences of the election(s) made on this form.



Signature of account owner/guardian/power of attorney/ etc.

Title / Capacity (if any)

Date (mm/dd/yyyy)

*Place any notary seal or
Medallion Signature Guarantee
stamp here*



Questions? Call us at **1-800-441-7762** or visit us online at www.blackrock.com.

Not FDIC Insured | May Lose Value | No Bank Guarantee

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BlackRock[®]

Lit. No. IRA-INHDIST-0124

BLACKROCK INHERITED IRA DISTRIBUTION REQUEST FORM ADDITIONAL INFORMATION

Neither BlackRock nor BNY Mellon IS Trust as custodian guarantees or affirms the appropriateness of the elections made on this form. Your options will depend on your personal circumstance. We do not represent that you will meet your RMD requirements; you should consult a qualified tax professional prior to completing this form.

- It is your responsibility to ensure your withdrawals comply with IRS rules and deadlines.
- This form may not present all available options for calculating your RMD under allowable IRS methods. The options for distribution may be based on several factors, including, but not limited to, the owner's date of death (before or after 1/1/2020), the age of the decedent on the date of death (before or on/after RBD), the age of the beneficiary, and possibly if the beneficiary is related to the deceased. You should consult a qualified tax professional prior to completing this form.
- Inherited IRA assets must be moved into a separate IRA account for the beneficiary by 9/30 of the year after the year in which the owner's death occurred for their required minimum distribution ("RMD") to be calculated using their date of birth (where that option is applicable).
 - Where the original IRA owner's death occurred on or after 1/1/2020, certain designated beneficiaries, some trusts, a charity, an estate, and other entity beneficiaries will be required to distribute the entire IRA balance no later than the end of a specific period of time, either 10 years (for a designated beneficiary that is an individual who is not an Eligible Designated Beneficiary) or 5 years (for an estate, charity, or other entity, including a trust that is not a qualified "look-through" trust).
- RMDs for inherited accounts are generally required under IRS regulations to begin by 12/31 of the year after the year of death of the original account owner. Exceptions to this beginning date apply to spouses of the original owner, who may delay beginning to take RMDs until the year in which the original owner would have reached their first RMD year.
- If the original non-Roth IRA owner passed away on or after his or her required beginning date for taking RMDs, **OR** you are a Successor beneficiary on either an IRA or a Roth IRA, you may be responsible for taking any remaining RMD for the year-of-death to comply with RMD requirements. This requirement is separate from your requirement to take distributions as a beneficiary if you establish an Inherited IRA.
- RMD calculations are done by BNYM IS Trust as custodian based on the balance in the specified BlackRock Inherited IRA or Inherited Roth IRA only.
 - If you have other Inherited IRAs or Inherited Roth IRAs with BlackRock, submit a separate form to request RMD calculations for each account.
 - If you have other Inherited IRAs or Inherited Roth IRAs with other institutions, the RMD amount BNYM IS Trust calculates will not include the balance in those separate accounts, you should contact the other institution or consult with a qualified tax professional to determine the required distribution amount.
- Excess distributions cannot be returned to the Inherited IRA account. Please be sure to complete this form carefully to prevent an excess distribution.
- Required Beginning Date (RBD): April 1st of the year after the owner reaches RMD Age. The SECURE Act signed into law on December 20, 2019 increased the age at which IRA owners become subject to Required Minimum Distributions (RMD) from age 70 ½ to age 72 for owner's born on or after July 1, 1949.

Owner's Date of Birth	RMD age	Required Beginning Date
On or prior to June 30, 1949	70 ½	April 1 st following the year the owner reached age 70 ½
On or after July 1, 1949	72	April 1 st of year the owner reaches age 73

Substitute W-4R 2024 - Withholding Certificate for Nonperiodic Payments – For use with IRAs ONLY

Where instructed to provide your withholding election on “line 2” use the space provided on the attached form under “Federal Income Withholding Election.”

2024 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 below 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%
14,600	10%	29,200	10%	21,900	10%
26,200	12%	52,400	12%	38,450	12%
61,750	22%	123,500	22%	85,000	22%
115,125	24%	230,250	24%	122,400	24%
206,550	32%	413,100	32%	213,850	32%
258,325	35%	516,650	35%	265,600	35%
623,950*	37%	760,400	37%	631,250	37%

*If married filing separately, use \$380,200 instead for this 37% rate.

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 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.

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 2024, 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-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

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 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.

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 \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, 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 \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700 is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter “13” on line 2.