Withholding Disclosure for IRA Distributions

Substitute Form W-4P

OMB No. 1545-0415

We are providing this document as part of your online request to receive a distribution from your Ally IRA. This Withholding Disclosure is for U.S. Citizens, resident aliens or their estates who are recipients of IRA distributions.

Any section references in this document are to the Internal Revenue Code. You can access the Internal Revenue Code at most public libraries and online at www.irs.gov.

IRA Distributions: 10% withholding
Ally Bank must withhold at a flat 10% rate from your IRA distributions unless you choose not to have income tax withheld. You (or in the event of your death, your beneficiary or estate) can choose not to have income tax withheld or to have more than 10% withheld from your distribution by checking the appropriate box on the preceding page. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the deceased. Enter the estate’s employer identification number (EIN) in the online application where it asks for Social Security Number.

If you have previously made a withholding election it will remain in effect until or unless you change it. You have the right to revoke your withholding election at any time by filing a new withholding election and choosing either no or additional withholding.

If you submit a withholding election without your correct Taxpayer Identification Number (TIN), Ally Bank must withhold 10% of the IRA distribution for federal income tax. Also, please be advised that there are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should review IRS Publication 505 (available at
www.irs.gov. It explains your estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA distributions using a withholding election.

**Payments to Foreign Persons and Payments Outside the United States**

Unless you are a nonresident alien, withholding is required on any IRA distributions that are delivered to you outside the United States or its possessions. You cannot choose not to have income tax withheld. See IRS Pub. 505 for 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 section 1441 on an IRA distribution. However, most tax treaties provide that IRA distributions are exempt from withholding tax. See IRS Pub. 515, (Withholding of Tax on Nonresident Aliens and Foreign Entities) and Pub. 519 (U.S. Tax Guide for Aliens) for details. Both are available at www.irs.gov. A foreign person should submit Form W-8 BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) to Ally Bank before receiving any payments. The Form W-8BEN must contain the foreign person’s TIN. Form W-8BEN is available online at www.irs.gov.

**Statement of Federal Income Tax Withheld from your IRA**

By January 31 of the year following the year an IRA distribution is received, Ally Bank will send a statement to you on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., showing the total amount of your IRA distribution and the total federal income tax withheld during the year.

**Privacy Act and Paperwork Reduction Act Notice**

We ask for the information on the withholding election and certain information in the online application to carry out the Internal Revenue Laws of the United States. You are required to provide the information on the withholding election only if you want to (a) request additional federal income tax withholding from your IRA distribution, (b) choose not to have federal income tax withheld, when permitted, or (c) change or revoke a previous withholding election. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide this information on the withholding election and certain information in the online application. Failure to provide this information may result in inaccurate withholding on your payment(s).

Please be aware that aside from any other provision of law, no person shall be subject to any penalty for failing to comply with collection of information if it does not display a valid OMB control number. Also, generally, tax returns and return information are confidential, as required by section 6103 of the Internal Revenue Code.