

Helping you make sense of tax withholding rules for your IRA

The IRS requires us to provide the following information on income tax withholding for withdrawals, also known as distributions, from your Vanguard IRA®. You don't need to take any action in response to this letter.

For U.S. citizens or resident aliens

Unless you instruct us not to withhold taxes, the IRS requires us to withhold at least 10% of your withdrawals from traditional IRAs, SEP-IRAs, and SIMPLE IRAs for federal income taxes. When you request a distribution online, by phone, or by mail, you can:

- Let us automatically withhold 10% of the distribution.
- Ask us to withhold more than 10% of the distribution.
- Ask us not to withhold taxes at all.

If your distribution is delivered outside of the United States, you may not elect out of federal income tax withholding, and a withholding rate of more than 10% may apply.

If you instruct us not to withhold taxes, you'll still owe federal income tax on the taxable portion of your IRA distributions, and you may have to make estimated tax payments. If your estimated payments and withholdings fail to satisfy your tax obligations, you may be subject to IRS penalties. You may want to consult a tax advisor regarding your personal situation.

U.S. citizens and resident aliens who don't have a valid Social Security number and U.S. address on file must provide us with a completed IRS Form W-9 (unless we already have it on file) at the time of the distribution request, or else we must apply the withholding rules for a nonresident alien (see below).

For nonresident aliens

The IRS requires us to withhold 30% of your withdrawals from traditional IRAs, SEP-IRAs, and SIMPLE IRAs. If you're eligible for a reduced withholding rate based upon a tax treaty that your country has with the United States, you may claim the reduced rate by providing us with a completed IRS Form W-8BEN.

If you have questions, call us at 800-662-2739 on business days from 8 a.m. to 8 p.m., Eastern time. Thank you for investing with Vanguard.

Connect with Vanguard® > [vanguard.com](https://www.vanguard.com)

Vanguard IRA custodial services are provided by Vanguard Fiduciary Trust Company, a trust company incorporated under the Pennsylvania banking laws and operated under the supervision of the Pennsylvania Department of Banking.

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