

# Withholding Election Notice

## State Farm Mutual Funds® Individual Retirement Accounts (IRA)

This form is used to notify you of your right to elect not to have taxes withheld from distributions under the systematic withdrawal plan from your State Farm Mutual Funds IRA or to revoke your election to have taxes withheld, if one is in effect.

Any taxable distributions you receive from your IRA are subject to federal income tax withholding, at a rate of at least 10%, and state income tax withholding, if applicable to your state of residence, **unless you elect for federal and state withholding not to apply**. If you elect not to have withholding apply or do not have enough tax withheld, you may be responsible for payment of estimated taxes, and there may be tax penalties if your withholding and estimated payments are not sufficient.

### Beginning in Calendar Year 2004

If federal income tax withholding is applied to your distribution, state income taxes may also apply. Your state of residence will determine your state income tax withholding requirements, if any. **For residents of CA, DE, IA, KS, MA, ME, NC, OK, OR, or VT**, if federal income tax is withheld, state income tax of at least your state's minimum amount must be withheld in addition to federal income tax withholding at the time of your distribution. If you are receiving systematic withdrawals from your IRA account, state tax may be withheld from distributions beginning in 2004. You may wish to consult with your tax advisor or your state's taxing authority for more information.

You may establish, change, or revoke your withholding election at any time by completing this form. Please check the appropriate box(es) below, sign, date, and return this form at least 10 days before your next scheduled systematic withdrawal. **If you do not wish to change a prior election, do nothing.**

If you have any questions or need additional information before completing this form, please call **1 800 447 4930**.

Name \_\_\_\_\_

Individual Retirement Account Number \_\_\_\_\_ Social Security Number \_\_\_\_\_

## Withholding Election for Future Account Distributions Under Systematic Withdrawal Plan

### Federal Income Tax Withholding

Choose **One**

- I do **not** want to have federal income tax withheld when distributions under the systematic withdrawal plan are made from my IRA.
- Withhold federal income tax at a rate of \_\_\_\_\_% (not less than 10%)

**State Income Tax Withholding** - If you are not a resident of one of the following states, State Farm Bank®\* will not withhold for state income tax purposes.

- If federal tax is withheld and you are a resident of **DE, IA, KS, MA, ME, NC, OK, OR, or VT**: State tax withholding is mandatory. State Farm Bank\* will automatically withhold the minimum required by your state unless you specify a higher amount below.
- If federal tax is withheld and you are a resident of **CA**: State withholding is mandatory unless you specifically elect not to have tax withheld. State Farm Bank\* will automatically withhold the minimum required by your state unless you either check the "Do not withhold" box or specify a higher amount below.

Choose **One** (Complete only if you are a resident of one of the states listed above and have elected to withhold federal income tax.)

- Do **not** withhold state income tax. (*Option for CA residents only*)
- Withhold my state's minimum requirement.
- Withhold this amount \$\_\_\_\_\_. (We will withhold at least your state's minimum requirement)

\_\_\_\_\_  
Participant Signature

\_\_\_\_\_  
Date

\*State Farm Investment Management Corp. ("SFIMC") withholds taxes on behalf of State Farm Bank.

Mail completed form to: **State Farm Mutual Funds**  
**PO Box 219548**  
**Kansas City, MO 64121-9548**