

Substantially equal periodic payments



Mail to: P.O. Box 9261, Des Moines, IA 50306-9261
Overnight: 8300 Mills Civic Pkwy, West Des Moines, IA 50266-3833
1-866-747-3421 | SecuritiesPI@sfgmembers.com

1. Important information

Section 72(t) of the Internal Revenue Code imposes a 10% penalty tax on premature distributions made from an IRA. A premature distribution is a distribution made to a recipient who is younger than age 59½.

72(t) allows for a number of exceptions under which the 10% penalty tax will not be imposed. Among those exceptions are distributions which are part of a series of "Substantially Equal Periodic Payments" (SEPP).

Several complex requirements must be observed in the establishment of a "Substantially Equal Periodic Payment" plan. IRS guidance indicates that "Substantially Equal Periodic Payments" must:

1. Be substantially equal as determined under section 72(t) of the Internal Revenue Code.
2. Be made NO LESS FREQUENTLY THAN ANNUALLY.
3. Be based on the life or life expectancy of the recipient.
4. Be calculated in a manner allowing for continuation of PAYMENTS FOR THE DURATION of the recipient's life expectancy under "reasonable" mortality assumptions for the life or life expectancy of the individual, or the joint lives or joint life expectancy of the individual and his/her designated beneficiary.
5. Be calculated in a manner which assumes NO MORE THAN A "REASONABLE" LEVEL OF INTEREST OR INVESTMENT RETURN.
6. No other withdrawals or deposits are allowed while this option is in effect.
7. Payments under this option may be subject to withdrawal charges, if applicable to the account. See the disclosure document for withdrawal charges, including Early Withdrawal Charges, that may apply.
8. Once the withdrawals have started, the Account Holder cannot make any additional contributions to the account.
9. Withdrawals must continue until the later of age 59½ or five full years from the date of the first payment. Any modification prior to age 59½ or five full years will be considered an election to stop this distribution under this option.
10. The Substantially Equal Periodic Payments will continue until the Account Holder discontinues the withdrawals or liquidates the account completely.
11. For most accounts, withdrawals are available through electronic funds transfer. If elected, all payments will be automatically deposited to your bank account and will be payable as specified on the next page. If selecting EFT, please complete the Electronic Funds Transfer section on page 2.

As a service to you, Sammons Institutional Group®, Inc. (SIG) will perform calculations which will establish a schedule of periodic (monthly, quarterly, semiannual, or annual) payments which are intended, **but not guaranteed**, to comply with the requirements identified above. If you would like SIG to make these calculations for you, or if you provide the payment amount based on your own calculations, please read the following statements. If you agree with the statements, provide your signature in the space indicated and complete the remainder of the form.

I have consulted a tax or legal professional, pursuant to which I am requesting that calculations be made in order to establish a schedule of "Substantially Equal Periodic Payments," which will be paid to me as contemplated under section 72(t) of the Internal Revenue Code. In making this request, I understand and agree with the following statements.

- SIG does not provide tax, investment, or legal advice. Please consult with and rely upon your own tax, investment, and legal professionals. SIG makes no guarantees that any interest rate or mortality assumption will be viewed as "reasonable" by the Internal Revenue Service.
- Any failure to observe the requirements associated with Substantially Equal Periodic Payments will result in imposition of the 10% penalty tax on all payments previously received, plus interest.
- SIG will not be held liable for any additional tax, interest, or penalties, or any damages or losses of any kind, direct or indirect, arising as a result of my election to take "Substantially Equal Periodic Payments."
- This election is in lieu of other payment and withdrawal options provided in the original agreement and will remain in force and in effect until written notice is provided to SIG to change this election. As part of this election, no additional contributions can be made to this account.
- Distributions will be reported to the Internal Revenue Service as required.

Account holder's signature	Date signed (mm/dd/yyyy)
<input type="text"/>	<input type="text"/>

NOT FDIC/NCUA INSURED, MAY LOSE VALUE INCLUDING LOSS OF PRINCIPAL, NO BANK/ CU GUARANTEE, NOT A DEPOSIT, NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.

2. Account information

Please provide all requested information.

Account number			DOB (mm/dd/yyyy)
Account holder's name (first, middle, last) - if applicable			Social Security number
Street address			Apartment/Suite number
City	State	ZIP	Phone number

3. SEPP Distribution Election (Substantially Equal Periodic Payments)

Payment method (please choose one):

Calculated by SIG (select preferred calculation method below):

Minimum Distribution Method Amortization Method Annuitization Method

Calculated by my tax or legal professional:

\$ _____ A 72(t) calculation was performed by my tax or legal professional and has been determined to be consistent with the applicable IRS requirements.

Frequency: Monthly Quarterly Semi-Annually Annually

Date of first payment* (mm/dd/yyyy): _____

* Please select a day of the month between the 1st and the 28th. If the date is not complete or an invalid date is chosen, the form will be considered "Not in Good Order." If the elected start date has already passed, the first systematic withdrawal will be processed immediately, and the next systematic withdrawal will be processed one modal frequency from the elected start date.

4. Method of SEPP

Please check one of the following options. If no election is indicated, a check will be mailed to you.

I would like this distribution to be paid to me by check and sent to the mailing address listed in section 2 of this form.

I would like this distribution to be sent via Automated Clearing House (ACH) to the bank account indicated below. I understand the proceeds will arrive at my bank account in approximately three to five business days. I authorize SIG and the financial institution listed below to automatically deposit distributions into my:

Checking Savings

Name(s) on account (first, middle initial, last)

Financial institution name

Financial institution routing number (ABA #)

Financial institution account number

Include a preprinted, voided check, or letter from the bank on their letterhead, to ensure accurate account information for the Automated Clearing House (ACH) debit. If we do not receive a voided check or bank letter, we will mail the disbursement to your address on file.

Note: Checks must be preprinted with your name and address. We cannot accept starter or counter checks.

5. Election of withholding

Federal/State withholding instructions: Please indicate if Federal/State Income taxes should be withheld from your payment(s) by signing and dating this election form and returning it to SIG. If you have any questions about your tax liability, please consult and rely upon your own tax and legal professionals. **Even if you elect NOT to have Federal/State Income taxes withheld, you are liable for Federal/State Income taxes on the taxable portion of your account value. You may also be subject to tax penalties under the Estimated Tax Payment rules if your payment of estimated tax and withholding, if any, are not adequate. If no election is made, a 10% federal income tax will be automatically withheld.**

I elect the following:

Federal: Do not withhold Withhold _____ % or \$ _____

State: Do not withhold Withhold _____ % or \$ _____

Important state tax withholding information: Certain states require us to withhold state income tax from your distribution. If you reside in a state that requires withholding, we will withhold state income tax in accordance with the respective state's rules.

Note: If no election is made, a 10% federal income tax will be automatically withheld.

6. Signature

I have reviewed the Guidelines for Automatic Substantially Equal Periodic Payments Under Internal Revenue Code Section 72(t). I elect to enroll in a Substantially Equal Periodic Payment Program and intend the periodic payments to satisfy the Internal Revenue Code requirements for exceptions to the premature distribution penalty. It is intended that these payments constitute distributions, which are part of a series of substantially equal periodic payments made over my life expectancy.

I understand that payments must continue until the later of five years or age 59½, and that any partial or systematic withdrawal(s) taken will reduce the actual earned interest amount.

I acknowledge and agree that SIG is not certifying or implying that any distributions made pursuant to the Substantially Equal Periodic Payment Program satisfy IRS requirements for exception to the premature distribution penalty. I further acknowledge and agree that any taxes or penalties that may be imposed as a result of this distribution are exclusively my responsibility and SIG has no liability for any such taxes or penalties whatsoever.

I accept responsibility for any taxes or penalties due as a result of changing this election.

Taxpayer certification

Under penalty of perjury, my signature certifies that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me);
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, (b) I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding;
3. I am a U.S. citizen or U.S. resident alien; and
4. I am exempt from FATCA reporting.

All financial institution Account Holders must sign.

Account holder's signature	Date signed (mm/dd/yyyy)
<input type="text"/>	<input type="text"/>

If your request is not in good order, how would you like us to notify you?

Call me at _____ - _____ - _____ Mail a letter to my address of record Contact my Registered Representative

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