

Substantially equal periodic payments



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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)

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. Federal election of withholding

See the instructions on page 4-5 and Marginal Rate Tables for additional information.

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100%. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its possessions.
- For an eligible rollover distribution, the default withholding rate is 20%.

I would like the default withholding rate.

I would like a rate of withholding that is different from the default withholding rate.

_____ % Enter the rate (percent) as a whole number (enter a rate between 0% and 100%, no decimals)

6. State election of withholding

Important state tax withholding information: If you reside in a state that requires tax withholding, we will withhold state income tax in accordance with the respective state's rules.

Withhold state taxes - (select yes or no)

No Yes _____ %

7. 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"/>

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Sammons Financial Network®, LLC., member FINRA, Sammons Institutional Group®, Inc., and Sammons Retirement Solutions® do not give tax, legal, or investment advice. Please consult with and rely on your own tax, legal, or investment professional(s). Taxes are payable upon withdrawal of funds, and a 10% IRS penalty may apply to withdrawals prior to age 59½.



General Instructions and Marginal Rate Tables for withholding for non-periodic payments and eligible rollover distributions.

Use the information provided on pages 4-5 to guide you in completing withholding section 5, page 3.

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 - Complete section 5, page 3, to have payers withhold the correct amount of federal income tax from any non-periodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement account (IRA). See pages 4-5 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 you may also 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 non-periodic 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.

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 the following page for more information on how to use this table.

Single or married filing separately		Married filing jointly or Qualifying widow(er)		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.

For Privacy Act and Paperwork Reduction Act Notice, see page 5.

Non-periodic 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 in section 5, page 3. 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 have no federal income tax withheld by entering “-0-”. 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 possessions.

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.

Eligible rollover distributions—20% withholding - Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% in section 5, page 3. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions: (a) qualifying “hardship” distributions, and (b) distributions required by federal law, such as required minimum distributions. See Pub. 505 for details. See also *Non-periodic payments—10% withholding above*.

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-” in section 5, page 3. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

For an estate, enter the estate's employer identification number (EIN) in the area reserved for "Social security number."

More withholding - If you want more than the default rate withheld from your payment, you may enter a higher rate in section 5, page 3.

Less withholding (non-periodic payments only) - If permitted, you may enter a lower rate in section 5, page 3 (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 on page 4 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 in section 5, page 3. (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 in section 5, page 3. (See Example 2 below.)

If you prefer a simpler approach (but one that may lead to over withholding), find the rate that corresponds to your total income including the payment and enter that rate in section 5, page 3.

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" in section 5, page 3.

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" in section 5, page 3.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your non-periodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your non-periodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your non-periodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding of your payment(s). Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.