

# Substantially Equal Periodic Payments

## LiveWell® Annuity Series

Issued by Midland National® Life Insurance Company

**SAMMONS**  
Retirement Solutions®

**MIDLAND NATIONAL**  
Life Insurance Company

**Sammons Retirement Solutions®**

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### 1. Important Information

Section 72(t)/72(q) of the Internal Revenue Code imposes a 10% penalty tax on premature distributions made from tax deferred annuity contracts. A premature distribution is a distribution made to a recipient who is younger than age 59½. Section 72(t) imposes the tax on qualified annuities including Individual Retirement Accounts (IRA). 72(q) imposes the tax on non-qualified annuities.

72(t)/72(q) 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 SEPP plan. IRS guidance indicates that substantially equal periodic payments must:

1. Be substantially equal as determined under 72(t)/72(q) 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. Withdrawals must continue for the **LONGER** of 5 years, or until the recipient reaches age 59½.

As a service to you, Midland National Life Insurance Company will perform calculations which will establish a schedule of periodic (monthly, quarterly, semi-annual, or annual) payments which are intended, **but not guaranteed**, to comply with the requirements identified above. If you would like Midland National 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 investment 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)/72(q) of the Internal Revenue Code. In making this request, I understand and agree with the following statements.

- Midland National does not provide tax, legal, or investment advice. Midland National 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.
- Midland National 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.
- Payments under this option may be subject to withdrawal charges or any market value adjustment, if applicable to the contract.
- This election is in lieu of other payment and withdrawal options provided in the original contract and will remain in force and in effect until written notice is provided to the company to change this election. As part of this election, no other withdrawals or deposits are allowed while this option is in effect.
- Distributions will be reported to the Internal Revenue Service as required.

Owner's Signature	Date Signed
<input type="text"/>	<input type="text"/>
Joint Owner's Signature (if applicable)	Date Signed
<input type="text"/>	<input type="text"/>



## 2. Contract Information

Contract Number

Owner's Name (first, middle initial, last)

SSN

Joint Owner's Name (first, middle initial, last) - if applicable

SSN

Non-Natural Owner\* (if applicable)

TIN/EIN

Street Address

Apartment/Suite Number

City

State

ZIP

Phone Number

\*Please complete and submit a copy of the Certification of Trust Agreement (19306A) if this policy is owned by a trust.

## 3. SEPP Distribution Election (Substantially Equal Periodic Payments)

Please select one:

Calculated by Midland National (**select preferred calculation method below**):

Minimum Distribution Method     Amortization Method     Annuitization Method

Calculated by my tax or legal professional (**provide calculation below**):

\$ \_\_\_\_\_ A 72(t)/72(q) 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\*: \_\_\_\_ / \_\_\_\_ / \_\_\_\_\_

\* 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 Payments

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

I would like this withdrawal to be paid to me by check and sent to the mailing address listed in section 1 of this form.

I would like this withdrawal to be sent via Automated Clearing House (ACH) to the financial institution account indicated below. I understand the proceeds will arrive at my financial institution account in approximately three to five business days. I authorize Midland National and the financial institution listed below to automatically deposit distributions into my account. **Please attach a voided check.**

Type of Account:    Checking     Savings

Name(s)\* on Account (first, middle initial, last)

Financial Institution's Name

Financial Institution Phone Number

Financial Institution Routing Number (ABA #)

Financial Institution Account Number

**Include a preprinted, voided check or letter from the bank on their letterhead for the Automated Clearing House (ACH) debit to ensure accurate account information.**

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

\*If there is a joint owner on the bank account, the joint owner must sign in section 6.

## 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 Midland National. 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.**

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.

Taxpayer Identification Number (TIN)

Joint Taxpayer Identification Number (TIN)

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

## 6. Acknowledgment and Signatures

I have reviewed the Guidelines for Automatic Substantially Equal Periodic Payments Under Internal Revenue Code Section 72(t)/72(q). 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 or 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 during the contract year will reduce the actual earned interest amount. I acknowledge and agree that Midland National 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 Midland National 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.

Owner's Signature 	Date Signed 	Joint Owner's Signature (If applicable) 	Date Signed 
Spouse's Signature* (Only applicable if Owner resides in: AK, AZ, CA, ID, LA, NV, NM, TX, WA, or WI) 		Date Signed 	
Joint Bank Account Owner's Signature (if applicable)** 		Date Signed 	

\*If this transaction is subject to a community property interest, we strongly recommend that you obtain your spouse's signature on the line above to document his/her consent to this transaction. States that recognize community property interests in property held by married persons include Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. You understand and agree that Midland National may presume that no community property interest exists if you have not obtained your spouse's signature above. Further, you understand and agree that Midland National has no duty to inquire further about any such community property interest. As a result, you agree to indemnify and hold Midland National harmless from any consequences relating to community property interests and this transaction.

\*\*If the payment is being sent via ACH and there is a joint owner on the bank account, the joint bank account owner must sign in the box above.

**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 Agent/Representative