

# ANNUITY TAX CONVERSION FORM

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This form is used to convert the tax qualification of an existing EquiTrust Contract. A conversion may take place in one lump sum or take place over multiple years to spread out tax liability. EquiTrust does not provide tax advice. Please consult your tax advisor before requesting this conversion.

While we strive to process requests in a timely and efficient manner, requests must be received in our office no later than December 20 to guarantee processing within the same year.

## 1. OWNER INFORMATION

Contract Number	Social Security Number
Owner	Telephone Number (REQUIRED)
Address	

- You will receive a 1099R for the tax year in which the conversion occurs.
- Once a conversion is processed it cannot be reversed.
- Complete EITHER Section 2 or Section 3, depending on the conversion being requested. Sections 4 through 6 must be completed for all requests.

## 2. ROTH IRA CONVERSION REQUEST

A: ☐ Full Conversion

If you are requesting a full conversion and have reached your required beginning date for Required Minimum Distribution (RMD), your RMD must be taken prior to the conversion.

### Select one:

- ☐ I have not reached my required beginning date
- ☐ Distribute my RMD prior to processing the conversion
- ☐ I have satisfied my RMD from another source

B: ☐ Partial Conversion

### Select one:

- ☐ One-time Partial for \$\_\_\_\_\_
- ☐ Split equally over \_\_\_\_\_ years resulting in a Full conversion
- ☐ Dollar amount to be converted each year \$\_\_\_\_\_ resulting in a Full conversion

Optional: You may specify a date for the partial conversion(s). If electing to have a portion converted each year, this will be the annual date of the partial conversion going forward. If a specific date is not chosen, we will process upon receipt.

**Optional Start Date (mm/dd/yyyy)** \_\_\_\_/\_\_\_\_/\_\_\_\_

Only one partial conversion per contract year is allowed. The final conversion amount may vary based on Interest and or Indexed Credits, Withdrawals, Rider Charges and original Contract Value.

By selecting this option you agree that the provisions governing Roth IRAs in the Individual Retirement Annuity Endorsement shall apply to the conversion.

You will be issued a Roth IRA Contract that will have the same provisions as the original Contract listed on this form. This includes, but is not limited to, Effective Date, remaining Surrender Charges, Ownership, Beneficiary Designations and any Riders that are in effect at the time the conversion is processed.

Once all funds have been distributed from the original Contract, the original Contract will no longer be active.

### 3. INHERITED IRA TO NON-QUALIFIED CONVERSION REQUEST

A: ☐ Full Conversion

**Select one:**

- ☐ Distribute my RMD prior to processing the conversion
- ☐ Do not distribute my RMD prior to processing the conversion

B: ☐ Partial Conversion

**Select one:**

- ☐ One-time Partial for \$\_\_\_\_\_
- ☐ Split equally over \_\_\_\_\_ years resulting in a Full conversion
- ☐ Dollar amount to be converted each year \$\_\_\_\_\_ resulting in a Full conversion

Optional: You may specify a date for the partial conversion(s). If electing to have a portion converted each year, this will be the annual date of the partial conversion going forward. If a specific date is not chosen, we will process upon receipt.

**Optional Start Date (mm,dd,yyyy)** \_\_\_\_/\_\_\_\_/\_\_\_\_

Only one partial conversion per contract year is allowed. The final conversion amount may vary based on Interest and or Indexed Credits, Withdrawals, Rider Charges and original Contract Value.

You will be issued a Non-Qualified Contract that will have the same provisions as the original Contract listed on this form. This includes, but is not limited to, Effective Date, remaining Surrender Charges, Ownership, Beneficiary Designations and any Riders that are in effect at the time the conversion is processed.

Once all funds have been distributed from the original Contract, the original Contract will no longer be active.

**An ineligible beneficiary who inherits an IRA must ensure the Contract is either distributed or converted into a Non-Qualified Contract no later than December 31<sup>st</sup> of the 10<sup>th</sup> year after the Original IRA Owner's death.**

### 4. CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER

Under penalties of perjury, I certify 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), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) 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, and
3. I am a U.S. citizen or U.S. resident for tax purposes.

**NOTE: The IRS does not require your consent to any provision of this document other than the certification above.**

**Signatures required on Page 4**

## 5. TAX WITHHOLDING ELECTION

### Federal Income Tax Withholding Information:

Federal withholding applies to the taxable portion of any payment made from your annuity contract. Your withholding rate is determined by the type of payment you receive.

#### Nonperiodic Payments:

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate apply by submitting **IRS Form W-4R** (*Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions*) and entering a rate between 1% and 100%. You may also choose to not have federal withholding apply.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by submitting **IRS Form W-4R**, but you may not choose a rate less than 20%.
- Generally, you can't choose federal withholding less than 10% for payments to be delivered outside the United States and its territories.

#### (select one option only):

- ☐ Do not withhold federal income tax from my payment.
- ☐ Withhold federal income tax at the applicable default rate of 10% or 20% as defined above.
- ☐ Withhold federal income tax based upon the submitted **Form W-4R**.
- ☐ Withhold at the rate of \_\_\_\_\_% or withhold the flat amount of \$\_\_\_\_\_.
- You can access **Form W-4R** (*Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions*) [here](#) and on the IRS website at **IRS.gov**.

**NOTE: If you do not make a proper withholding election with your request, we will withhold for federal income tax at the mandatory rate required under law. You may be able to claim a credit for any amounts withheld when you file your tax return with the IRS.**

### State Income Tax Withholding Information:

If you reside in the US, your state of residence may require or permit us to withhold state income tax. Some states may require you to use specific state forms. If you do not use the proper form or otherwise fail to properly communicate your withholding choice to us, we may withhold in accordance with state default withholding rules. It is your responsibility to determine any applicable state forms that may be required and to provide them to us.

- If your state allows voluntary withholding, you may be able to choose a state withholding rate that differs from the default rate or you may choose not to have state withholding apply.
- No state tax withholding will be taken for states where withholding is not available.
- If your state requires withholding at an amount greater than that indicated below, we will withhold the amount required by your state.
- State specific tax withholding requirements are subject to change at any time. Please consult a tax preparer or your state Department of Revenue for more information.

#### (select one option only):

- ☐ Do not withhold state income tax from my payment (if allowed).
- ☐ Withhold state income tax at the default rate applicable for my state.
- ☐ Withhold state income tax at \_\_\_\_\_% (if allowed).
- ☐ Withhold state income tax for the flat dollar amount of \$\_\_\_\_\_ (if allowed)

### Additional Withholding Information:

If you elect not to have withholding apply to your distribution, or if you do not have enough tax withheld, you may be responsible for payment of estimated tax. You may also be subject to tax penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Signatures required on the next page

## 6. SIGNATURE

I acknowledge by signing this form that converting all or part of the above referenced contract will create a taxable event for the year of election. A 1099-R will be sent for the year in which the election was made and will report the conversion amount as a taxable event.

Owner Signature

Date

Spouse Signature (if required)

Date

**Spouse signature is required where community property laws are applicable. State jurisdictions with community property laws are Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.**

**Unless the Insurance Company has been notified of a community or marital property interest in this Contract, the Insurance Company will rely on its good faith belief that no such interest exists and will assume no responsibility for inquiry.**