

INHERITED/STRETCH IRA INFORMATION FORM

(MUST ACCOMPANY THE ANNUITY APPLICATION
OR ANNUITY CLAIM FORM)

EquiTrust Life Insurance Company®

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DISCLOSURE AND INSTRUCTIONS FOR COMPLETING THE INDIVIDUAL ANNUITY APPLICATION

This document is intended only to provide general information. EquiTrust does not provide tax or legal advice. It is important to consult your tax or legal advisor to determine how your Beneficiary designations affect your financial and estate-planning concerns. **Please consult a legal or tax advisor for additional information.**

The Owner (Annuity Application Section B) must identify either the original Beneficiary, or the Beneficiary of the original Beneficiary. The "Complete Name" field must provide the applicant's name, the original Owner's name and Date of Death.

- Example, Original Owner: Jane Doe, Beneficiary - **John Doe, Bene of Jane Doe, deceased 5/7/2017.**

If the applicant is the Beneficiary of the original Beneficiary, the original Beneficiary's name must be provided.

- Example – Deceased Beneficiary of original Owner: John Doe. Current Beneficiary: Jimmy Doe, Bene of John Doe, deceased 2/25/2021*

The Annuitant (Annuity Application Section A) must be the current individual Beneficiary's name.

- Example - Annuitant of EquiTrust Contract: Jimmy Doe

*If the death of the original Beneficiary occurred on or after 1/1/2020, the original Owner's information is not required, since Required Minimum Distributions (RMDs) will be based on the deceased original Beneficiary's (John's) age.

1. ANNUITANT OF EQUITRUST CONTRACT

Current Annuitant Name	Social Security Number	State(s) in Which Taxes are Filed (REQUIRED)
Date of Birth	Telephone Number	Relationship to Deceased
Full Address		

2. DECEASED IRA OWNER'S INFORMATION

Deceased Owner	
Deceased Owner Date of Birth	Deceased Owner Date of Death

3. ELECTION

A. ☐ Deceased Owner Date of Death prior to 1/1/2020 (Proceed to Section 4)

B. ☐ Deceased Owner Date of Death on or after 1/1/2020

The terms Stretch IRA and Inherited IRA are used to determine a Beneficiary's eligibility to elect specific payment options. Your election is dependent upon Beneficiary eligibility as determined under the Internal Revenue Code. Please carefully review the definitions and requirements below prior to making an election.

i. ELIGIBLE BENEFICIARY - STRETCH IRA

To be considered an Eligible Beneficiary, you must meet one of the criteria listed below. If you do, you must take annual Required Minimum Distributions (RMDs) as defined by current income tax regulations.

☐ **I do** meet the criteria for Eligible Beneficiary as stated below and am electing a **STRETCH IRA**.

1. Spouse of the deceased IRA Owner
2. Disabled person
3. Chronically Ill person
4. Individual not more than 10 years younger than the original IRA Owner

ii. INELIGIBLE BENEFICIARY - INHERITED IRA

If you do not meet the criteria above, you are an Ineligible Beneficiary.

☐ **I do not** meet the criteria for Eligible Beneficiary as stated and am electing an **INHERITED IRA**. I understand that if the deceased had reached their Required Beginning Date (RBD) for Required Minimum Distributions (RMDs), annual required distributions must continue. Furthermore, I understand the entire proceeds must be distributed or taxed by December 31st of the tenth calendar year following the year of the IRA Owner's death and distributions in excess of the RMD may incur Surrender Charges and/or Market Value Adjustment, which will reduce proceeds.

4. BENEFICIARY INFORMATION

A. ☐ I am the original Beneficiary

Percentage of original Contract Inherited _____%

B. ☐ I am the Beneficiary of a Beneficiary:

Percentage of original Contract Inherited _____

Deceased Beneficiary's Name _____

Deceased Beneficiary's Date of Birth _____

Deceased Beneficiary's Date of Death _____

Deceased Beneficiary's Social Security Number _____

Relationship of first Beneficiary to Deceased Owner ☐ Spouse ☐ Other _____

*If you are the Beneficiary of a Beneficiary and the Date of Death is on or after 1/1/2020, Stretch IRA is not available, and your Contract will be issued as an Inherited IRA.

Previous Contract IRA Plan Type ☐ Traditional/SEP/SIMPLE ☐ Roth – Original Roth Effective Year _____

December 31 Value of the Previous Contract \$ _____

A. ☐ I **have** taken the Required Minimum Distribution (RMD) for the current year.

B. ☐ I **have not** taken the Required Minimum Distribution (RMD) for the current year.

C. ☐ I **elect not to have the Required Minimum Distribution (RMD) taken from this contract for the current year.**

D. ☐ (Inherited IRA/Ineligible Beneficiaries only) – The deceased had not reached their Required Beginning Date and an RMD is not required. – **Proceed to Section 7**

5. RMD START DATE AND FREQUENCY (SYSTEMATIC PAYMENTS)

I want my payment to start on: ____/____/____ (Please allow at least 15 days from the Contract issue date.)

Monthly, Quarterly, and Semi-Annual payments are **ONLY** available via electronic funds transfer (EFT) to the Owner's checking/savings account. **See the accompanying Automatic Deposit Authorization Agreement.** If bank information is not provided and/or should bank information be rejected at any time, future payments will be made Annually to the Owner via check. The minimum EFT amount must be at least \$25.00. EquiTrust may alter the payment mode if any net payment fails to meet the minimum. If a payment frequency is not elected, payments will be made **ANNUALLY**.

Select payment frequency ☐ Monthly (EFT only) ☐ Quarterly (EFT only) ☐ Semi-Annual (EFT only) ☐ Annual

Systematic payments will be reduced by any withdrawals taken from the annuity contract during the same calendar year. Systematic payments are intended to satisfy the RMD for this annuity contract for the current year IF no withdrawals from the annuity contract were direct transferred to another Stretch/Inherited IRA. If any such direct transfers occurred, then Stretch/Inherited IRA systematic payments will be insufficient to satisfy the RMD for this annuity contract. RMD payments are made to the Owner and cannot be rolled over or direct transferred.

6. TAX WITHHOLDING ELECTION

Federal Income Tax Withholding Information:

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

Periodic (including Systematic) Payments:

- For Periodic payments, the default withholding amount is calculated as if your filing status is Single with no adjustments. You can choose to have a different rate apply by submitting **IRS Form W-4P** (*Withholding Certificate for Periodic Pension or Annuity Payments*). You may also choose to not have federal withholding apply.
- Generally, if you are a US citizen, you are not permitted to elect not to have federal income tax withheld on payments to be delivered outside the United States and its territories.

(select one option only):

- ☐ Do not withhold federal income tax from my payments.
- ☐ Withhold federal income tax based on the mandatory filing status.
- ☐ Withhold federal income tax based upon the submitted **Form W-4P**.
- You can access **Form W-4P** (*Withholding Certificate Periodic Pension or Annuity Payments*) [here](#) and on the IRS website at **IRS.gov**.

NOTE: If the applicable Form W-4P is not submitted with your request, we will withhold federal income tax according to the mandatory withholding instructions 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 or local taxes. 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 have to 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 (**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).
- No state tax withholding will be taken for states where withholding is not available.
- State specific tax withholding requirements are subject to change at any time. Please consult your tax preparer or your state Department of Revenue for more information.

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 estimated tax payments. You may also be subject to tax penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. Subject to specific exceptions under the Internal Revenue Code, any taxable distribution from an annuity contract or life policy prior to age 59½ may be subject to a 10% excise tax.

7. 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.

8. OWNER ACKNOWLEDGEMENT AND SIGNATURE AUTHORIZATION

I am personally responsible for any income tax implications of my election.

I HAVE READ, UNDERSTOOD AND AGREED to the Stretch/Inherited IRA Terms and Conditions. I **AUTHORIZE** EquiTrust to process this election.

By signing below, I acknowledge that I understand the costs and features of the annuity I am purchasing. In addition, I acknowledge the information I provided in this form is complete and accurate to the best of my knowledge. I further acknowledge that EquiTrust and its representatives do not offer legal or tax advice. I have been advised to consult my personal tax advisor or lawyer with any questions or concerns. I believe the annuity I am applying for is suitable based on my insurance needs and financial objectives.

Owner Signature

Date

**AUTOMATIC DEPOSIT
AUTHORIZATION AGREEMENT**

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NOTE: If automatic deposit is already established on this Policy/Contract, use this form only to revise or update bank account information.

Owner Name	Policy/Contract Number
Joint Owner Name	Phone Number
Policy/Contract Type <input type="checkbox"/> Life Insurance Policy <input type="checkbox"/> Annuity Contract	

AGREEMENT

I hereby authorize EquiTrust to make direct deposits to my account and for the bank named below to accept these deposits. I also authorize EquiTrust to make withdrawals from this account in the event that a credit entry is made in error.

This authority is to remain in force until EquiTrust has written notification from me of its termination in such time and in such manner as to afford EquiTrust a reasonable opportunity to act on it.

BANK INFORMATION

Bank Owner Name (as it appears on the account)		Bank Joint Owner Name (as it appears on the account)	
Owner Social Security Number		Joint Owner Social Security Number	
Account Owner Signature	Date	Joint Owner Signature	Date
EquiTrust Owner Signature		EquiTrust Joint Owner Signature	
Account Information <input type="checkbox"/> Checking <input type="checkbox"/> Savings Must be checking or savings account, no money market or brokerage accounts			
Bank Name			
Street Address		City	State Zip
Bank Routing Number (9 digits)		Bank Account Number	

IMPORTANT NOTES

- Amounts greater than \$50,000 must be distributed via check.
- The electronic transfer of funds may take 2-3 business days to reach your account once funds are released from our office and is subject to your bank processing time.