

**INHERITED/STRETCH IRA
INFORMATION FORM**
(MUST ACCOMPANY THE ANNUITY APPLICATION)

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 Beneficiary: Jimmy Doe, Bene of John Doe, deceased 5/7/17

If the applicant is the beneficiary of the Original Beneficiary, the Original Beneficiary's name must also appear.

- Example, Beneficiary of Original Beneficiary: Jane Doe, Bene of Jimmy Doe, Bene of John Doe, deceased 5/7/17

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

- Example, Annuitant of EquiTrust contract: Jimmy Doe

1. ANNUITANT OF EQUITRUST CONTRACT

Current Annuitant Name		Social Security Number	
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 (Go to Section 4 on next page)

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 from the Stretch IRA, as defined by Stretch provisions.

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 older than, or not more than 10 years younger than, the original IRA Owner
(Go to Section 4 on the next page)

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 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 any distributions may incur Surrender Charges and/or Market Value Adjustment, which will reduce proceeds. (Skip page 2. Go to Section 7)

4. STRETCH IRA - BENEFICIARY INFORMATION - (If you indicated Inherited IRA in Section 3 skip this page)

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

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 Date of Birth _____

Deceased Beneficiary's Date of Death* _____

*If you are the beneficiary of a beneficiary and the Date of Death is on or after 1/1/2020, you do not qualify for a Stretch IRA. Your Contract will be issued as an Inherited IRA. Skip the rest of this page and go to Section 7

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.

RMDs are required under one of the following methods or as provided under current income tax regulations:

(A) If the deceased IRA Owner died before their required beginning date, then: (i) payment of the entire remaining interest must be made over a period not to exceed the remaining life expectancy of the designated Beneficiary based on a single life expectancy using the term certain method (also known as the non-recalculated method). Payments must begin no later than the year after the death of the IRA owner. If they do not, the entire account value must be distributed by December 31 of the year of the fifth anniversary of the deceased IRA owner's death.

(B) If the deceased IRA Owner died on or after their required beginning date, then: (i) payment of the entire remaining interest must be made over a period not to exceed (a) the remaining life expectancy of the designated Beneficiary or (b) the deceased Owner's remaining life expectancy, whichever is longer. Payments must begin no later than December 31 of the calendar year after the year of the deceased IRA owner's death.

EquiTrust may be required to advise the IRS that an RMD must be made from the Stretch IRA. EquiTrust will, upon the IRA Beneficiary's request, calculate and advise of the RMD amount under the Contract. The RMD may be taken from the Stretch IRA being applied for or from another Stretch IRA of the same decedent for which the Beneficiary is also the same. Life expectancies must be calculated on appropriate tables provided under income tax regulations.

If the sole IRA Beneficiary is a spouse of the deceased Owner listed above, additional options may be available. You should consult with a tax and/or legal advisor to determine the most appropriate course of action for your situation.

5. STRETCH IRA - RMD START DATE AND FREQUENCY

If you would like to begin payments as of a particular date, please specify ____/____/____ 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

6. STRETCH IRA - TAX WITHHOLDING ELECTION

The Internal Revenue Service (IRS) requires that you complete the following section:

Note: If a federal withholding option is not selected, a 10% federal income tax will be automatically withheld.

FEDERAL No, I do not want to have Federal Income Tax withheld from my payments
 Yes, I would like the following Federal Income Tax withheld: \$ _____ or _____ %.

STATE* No, I do not want to have State Income Tax withheld from my payments
 Yes, I would like the following State Income Tax withheld: \$ _____ or _____ %.

***Certain states require the Company to withhold state income taxes. If you live in one of those states, state income tax will be withheld from your distribution in addition to any federal tax withholding.**

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. Subject to specific exceptions under the Internal Revenue Code, any taxable distributions for an annuity contract prior to age 59½ may be subject to a 10% excise tax.

7. OWNER ACKNOWLEDGEMENT AND SIGNATURE AUTHORIZATION

By Initialing **ONE** of the following, I understand and agree:

ELIGIBLE BENEFICIARY - STRETCH IRA

A. If I am applying for a Stretch IRA –

1. Stretch IRA systematic payments will be reduced by any withdrawals taken from the annuity contract during the same calendar year. Stretch IRA systematic payments are intended to satisfy the Required Minimum Distribution (RMD) for this annuity contract for the current year IF no withdrawals from the annuity contract were direct transferred to another Stretch IRA. If any such direct transfers occurred, then Stretch IRA systematic payments will be insufficient to satisfy the RMD for this annuity contract.
2. The RMD calculation method chosen above must match the RMD calculation method used for the payments of each prior year (if any) since the death of the Deceased Owner that were made from this Stretch IRA or from any 401 plan, 403(b), TSA plan, governmental 457(b) plan or IRA from which funds were transferred or rolled over into this Stretch IRA.
3. Stretch IRA systematic payments are made to the annuitant and cannot be rolled over or direct transferred.

(Owner Initials)

INELIGIBLE BENEFICIARY - INHERITED IRA

B. If I am applying for an Inherited IRA –

I understand that the entire balance of the Contract must either be distributed or will be converted into a Non-Qualified Contract no later than December 31st of the 10th year after the Original IRA Owner's death, and that any distribution may incur Surrender Charges and/or Market Value Adjustment which will reduce proceeds. Distributions and/or conversion to a Non-Qualified Contract will be reported to the IRS as a taxable event.

(Owner Initials)

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

I HAVE READ, UNDERSTOOD AND AGREED to the Stretch IRA Systematic Payment 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.