

Beneficiary Restricted Payout Option Form



Mail to: P.O. Box 79907, Des Moines, IA 50325

Overnight to: 4350 Westown Pkwy, West Des Moines, Iowa 50266

Instructions

Use this form:

- Please use Beneficiary Designation form 8014Y for new applications and Beneficiary Change Request form 8849Y for existing Contracts to list all beneficiaries, including those not being restricted.
- You may use the form to restrict the payout of part or all of a Beneficiary's interest after a death triggering a death benefit claim as defined in the Contract.
- Please complete a separate form for each Beneficiary.
- Restrictions may not be used when a non-natural entity (such as a trust, charity, or estate) is designated Beneficiary.

1. Contract Information

Contract Number (if known)

Owner's Name (first, middle initial, last)			SSN
Joint Owner's Name (first, middle initial, last)			SSN
Non-Natural Owner			TIN/EIN
Street Address			Apartment/Suite Number
City	State	ZIP code	Phone Number

2. Restricted Beneficiary Payout Options

Please complete a separate form for each Beneficiary. **THE RESTRICTION WILL ONLY BE APPLICABLE TO THE PERCENTAGE OF THE PROCEEDS ALLOTTED TO THAT BENEFICIARY.**

Beneficiary Name	SSN
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A. Type of Contract

- ☐ **Non-qualified Annuity Contract.** Payments under the selected Payout Option below must commence no later than one year after the date of death triggering a death benefit claim as defined in the Contract.
- ☐ **Individual Retirement Annuity (IRA) Contract.** If the Owner dies on or after the required beginning date within the meaning of Internal Revenue Code section 401(a)(9), a required minimum distribution for the calendar year of the Owner's death (determined in accordance with the requirements of that section) might need to be paid before the remaining interest is applied to the selected Payout Option. Payments under the selected Payout Option must commence on or before the end of the calendar year following the calendar year in which the Owner dies (or, if later, the end of the calendar year following the calendar year in which the Owner would have attained age 70½, provided that the Beneficiary is the Owner's surviving spouse and the Owner dies prior to the required beginning date).

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2. Restricted Beneficiary Payout Options (continued from page 1)

B. Restriction Type

- ☐ **Full restriction:** I/We acknowledge that this Beneficiary's entire interest in the death benefit will be paid under the Payout Option selected in section C, and no other payments or distributions will be made or permitted.
- ☐ **Partial restriction:** I/We acknowledge that ____% of this Beneficiary's interest in the death benefit, determined as of the date of death of any Owner (or Annuitant if the Contract is held by a non-natural entity), will be paid in a lump sum and the remainder of the Beneficiary's interest in the death benefit will be paid under the Payout Option selected in section C, and no other payments or distributions will be made or permitted.
- ☐ **Removal of restriction:** I/We acknowledge that the above restriction on the Beneficiary's interest in the death benefit will be removed on the earlier of the date that is ____ years from the date of death of any Owner (or Annuitant if the Contract is held by a non-natural entity), or the date the Beneficiary attains age _____. If the Beneficiary is living at such time, the restriction will be removed to the extent of ____% of the Beneficiary's interest in the death benefit, but only if payment of the Beneficiary's interest in the death benefit has not commenced in the form of annuity payments under Option 1, 2, or 3 in section C. The Beneficiary is responsible for providing proof of the events terminating the restriction.

C. Payout Option

- ☐ **Option 1 – Life annuity:** The interest will be distributed in the form of fixed, level annuity payments.

If the Contract is a **non-qualified annuity Contract**, annuity payments will be made as long as the Beneficiary is alive. For instance, if the Beneficiary dies immediately after the first annuity payment is made, only that one annuity payment will be made.

If the Contract is an **IRA annuity Contract**, annuity payments will be made as long as the Beneficiary is alive (or, if there are multiple Beneficiaries, for as long as the oldest Beneficiary is alive, unless an exception under federal income tax law applies). For instance, if the Beneficiary (or oldest Beneficiary, if applicable) dies immediately after the first annuity payment is made, only that one annuity payment will be made. **IMPORTANT:** This option is not effective if the Owner dies on or after the required beginning date within the meaning of Internal Revenue Code section 401(a)(9).

Payout Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually

- ☐ **Option 2 – Life annuity with a period certain:** The interest will be distributed in the form of fixed, level annuity payments.

If the Contract is a **non-qualified annuity Contract**, annuity payments will be made as long as the Beneficiary is alive, with payments guaranteed to be made for a period certain of ____ years (only 10 or 20 years may be selected). **IMPORTANT:** The period certain may not extend beyond the life expectancy of the Beneficiary as determined under the IRS Single Life Expectancy Table for Beneficiaries.

If the Contract is an **IRA annuity Contract**, annuity payments will be made as long as the Beneficiary is alive (or if there are multiple Beneficiaries, for as long as the oldest Beneficiary is alive, unless an exception under federal income tax law applies), with payments guaranteed to be made for a period certain of ____ years (only 10 or 20 years may be selected). **IMPORTANT:** This option is not effective if the Owner dies on or after the required beginning date within the meaning of Internal Revenue Code section 401(a)(9). Also, the period certain may not extend beyond the life expectancy of the Beneficiary (or the oldest Beneficiary, if applicable) as determined by the IRS Single Life Expectancy Table for Beneficiaries.

Payout Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually

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2. Restricted Beneficiary Payout Options (continued from page 2)

C. Payout Option (continued)

- ☐ **Option 3 – Annuity for a period certain (10 or 20 years):** The interest will be distributed in the form of fixed, level annuity payments.

If the Contract is a **non-qualified annuity Contract**, annuity payments will be made for a period certain of ____ years (only 10 or 20 years may be selected). **IMPORTANT:** The period certain may not extend beyond the life expectancy of the Beneficiary as determined by the IRS Single Life Expectancy Table for Beneficiaries.

If the Contract is an **IRA annuity Contract**, annuity payments will be made for a period certain of ____ years (only 10 or 20 years may be selected). **IMPORTANT:** The period certain generally may not extend beyond the life expectancy of the Beneficiary (or if there are multiple Beneficiaries, the life expectancy of the oldest Beneficiary, unless an exception under the IRS Single Life Expectancy Table for Beneficiaries applies). However, the period certain also may not extend beyond the life expectancy of such Beneficiary or, if longer, the life expectancy of the Owner in the year of death, if the Owner dies on or after the required beginning date within the meaning of Internal Revenue Code section 401(a)(9).

Payout Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually

- ☐ **Option 4 – Systematic withdrawals:** The interest will be distributed in the form of systematic withdrawals from the Contract until the Accumulation Value is fully distributed.

☐ **Required Minimum Distribution (IRA annuity Contracts only).** The total amount to be paid each calendar year, beginning with the calendar year following the calendar year in which the Owner dies, is the required minimum distribution determined each calendar year in accordance with the requirements of Internal Revenue Code section 401(a)(9) by dividing the account balance as of the end of the previous calendar year by the life expectancy of the Beneficiary (or the oldest Beneficiary if there are multiple Beneficiaries) subject to certain exceptions in the tax law. For this purpose, the account balance is the dollar amount credited to the Beneficiary under the Contract plus the actuarial present value of any additional benefits provided under the Contract.

Payout Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually

- ☐ **Greater of a specified amount and the Required Minimum Distribution for the calendar year (IRA annuity Contracts only).**

The total amount to be paid each calendar year, beginning with the calendar year following the calendar year in which the Owner dies, will be the greater of the required minimum distribution for the calendar year (determined as described above under this Option 4) or \$_____ (not to exceed the Accumulated Value).

Payout Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually

- ☐ **Greater of a specified amount or life expectancy payout (non-qualified annuity Contracts only).**

The total amount to be paid each calendar year will be the greater of the life expectancy payout or \$_____ (not to exceed the Accumulation Value). The first payment must be taken within one year of the date of the Owner's death.

Payout Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually













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3. Signatures

Upon death prior to the Maturity Date, any remaining interest in the Contract must be distributed in accordance with (a) the requirements of Internal Revenue Code section 72(s) or section 401(a)(9), whichever is applicable, (b) the terms of the Contract, and (c) to the extent that the payout of a Beneficiary's interest is restricted by this form, the Payout Option selected on this form and in effect. If no Beneficiary is alive when the death benefit becomes payable or the Beneficiary passes away while receiving distributions, payments will be made as provided by the Contract. If the death occurs after the annuity payments have started, the distribution restrictions specified in this form will be cancelled. If a Beneficiary is a minor at the time that a death benefit is payable, distributions will be made in accordance with applicable state laws. Fixed payout options will be those in effect when the required claim forms are received in good order.

I acknowledge that if Midland National does not receive proper proof of death in sufficient time to begin the distribution option within the required period, Midland National will pay the required death benefit within the required five-year period. I also acknowledge that the Beneficiary is responsible for notifying Midland National if the conditions for which the distribution restrictions would end, have been met.

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
	
Irrevocable Beneficiary (if any) Signature	Date Signed
	
Disinterested Witness' Signature**	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 current Owner resides in the state of MA, the signature of a disinterested witness is required. A disinterested person is described as anyone other than a designated Beneficiary. An agent may not sign as a disinterested witness.



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