



Principal Bank
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 A member of the Principal Financial Group®

IRA Distribution Form Instructions

Thank you for your recent IRA distribution request. Included in this correspondence is an IRA Distribution Form you will need to complete in order to begin your distribution process.

Step 1) Complete Sections A (Personal Information) in its entirety

- Your IRA Account (Plan) Number could also be referred to as your ‘Certificate’ number (not required, if Social Security Number is provided)
- ‘Tax year of First Roth IRA Contribution/Conversion only needs to be completed if your IRA is classified as a ROTH.
- If your IRA came from a previous employer’s 401(k) plan, please mark the ‘Type of IRA’ as Traditional.

Step 2) Complete Section B (Distribution Reason)

- Only one distribution reason needs to be selected.
- The most common types of distributions are:
 - Premature distribution, no know exception (box 10 on the left side) – used for those under age 59 ½ taking funds out of an IRA. IRS Tax penalties will apply.
 - Age 59 ½ or Older (box 2 on the left side) – for those who are older than 59 ½.
 - Direct Rollover to an employer-sponsored Eligible Retirement Plan (located under the additional distribution reasons section) – used to place funds into another employer sponsored plan(e.g. 401K).
 - Please make sure the employer will accept funds being rolled into their plan
 - Complete the Recipient Information at the bottom of section B. This information is needed so Principal Bank knows how to make the check payable and where to send it.

Step 3) Complete Section C (Payment Instructions) for the payment election and method

- If you are taking a withdrawal from an IRA Certificate of Deposit prior to maturity, a penalty may apply. Money Market IRA Accounts that have been opened less than 90 days may be subject to a \$250.00 early withdrawal fee.
- If requesting to close the account, check the box for “Balance of Account”.
- If requesting a partial withdrawal of your account balance, please specify the dollar amount next to ‘Immediate Distribution of \$ _____’.
- For partial withdrawals, please indicate next to the dollar amount if this is a net amount. The actual net amount will also depend on your election of federal and state (if applicable) income tax withholding. In some states, if federal income tax is withheld, state income tax withholding is mandatory.
- Select a payment method for your distribution in Section C-Payment Method. Depending on the method selected, additional forms may be required and fees may also apply.

Option	Fee	Additional Information
Transfer to an existing Principal Bank account	Free	
Electronic (ACH)	Free	Attach a voided check or savings statement for processing
Wire Transfer	\$20.00 – Domestic	\$40.00 – International
Cashier’s Check	\$10.00	
Overnight Mail	\$15.00 \$25.00	Next weekday delivery Saturday Delivery

Step 4) Complete Section D (Withholding Election) - Does not apply to Roth IRAs

- You must make a withholding election. If you make no election, federal income tax will be withheld at a flat rate of 10% along with any applicable state income tax.
- You can choose a percentage, a specific dollar amount, a combination of the two, or no withholding. Check the box reflecting your choice.
- If you want elective state tax withheld, or are subject to mandatory state withholding, please check the third box in Section D. Please refer to the table below to determine what rules apply to your state of residency. Laws regarding tax withholding are subject to change at any time without notice.

- If you live in the States of California, Arkansas or Oregon, where state withholding is required, and do not want state income taxes withheld, you must write "0" next to the dollar or percentage field on the state withholding line.
- If you are planning to reinvest these funds in another qualified retirement account, you will have 60 days from the date of **receipt** of the funds to roll the funds back into a qualified retirement plan to avoid paying income taxes and IRS penalties (if applicable) as long as no rollover has occurred within the last twelve months from the same plan.
- Check with a financial advisor or your state for more information as to how taking a distribution will affect your tax situation.

STATE TAX WITHHOLDING:

If your state of residence has:	Your options for state withholding are:
Nonparticipatory State Withholding	You may not elect state withholding. State withholding is not available even if your state has state income tax. AK, FL, NV, NH, SD, TN, TX, WA, WY
Voluntary State Withholding	You may elect voluntary state income tax withholding. You must provide a specific percentage or dollar amount to be applied for state tax withholding. AL, AZ, CO, CT, DC, GA, HI, ID, IL, IN, KY, LA, MD, MI, MN, MS, MO, MT, NJ, NM, NY, ND, OH, PA, RI, SC, UT, VA, WI, WV
Mandatory State Withholding if Federal Tax is Withheld	If you elect federal income tax withholding, state tax withholding will be applied based on your state's applicable minimum requirements. You may elect a specific percentage or amount, however your requested amount must be equal to or greater than your state's minimum withholding requirement, otherwise we will apply your state's applicable minimum requirement. DE, IA, KS, ME, MA, NE, NC, OK, VT
Mandatory State Withholding	State tax withholding will be applied unless you elect to have no state tax withheld. If no election is made, we will apply your state's applicable minimum requirement. AR, CA, OR

Step 5) – Complete Section E- Signature

- Be sure to review **all** information before signing the form in 'Section E'.
- If returning both a Signature Card and a Distribution Form(D2), the forms must be mailed to Principal Bank.
- The mailing address can be found at the bottom of section E of the Distribution Form (D2).
- If returning by overnight carrier, please mail to: Principal Bank, 6200 Park Ave, Suite 100, Des Moines, IA 50321.
- If returning a Distribution Form (D2) only, it may be faxed. There could be a delay in processing if the documents are faxed to an incorrect fax number.
 - 1-866-431-8410 – IRA Department
 - 1-866-673-8828 - Safe Harbor IRA Department

Processing time is approximately 2 weeks

If you have any questions regarding this information, please call a Principal Bank Personal Banker at 1-800-672-3343, seven days a week from 7 a.m. to 9 p.m. (Central Time).