

# IRA Distribution Form For Traditional and Roth IRAs

# D2

▶ **NOTE: Please read, sign, and date Section F.**

**A Your Personal Information** – if changing your address please be sure to check the box at the bottom of this section

Name (First, MI, Last)		IRA Account (Plan) Number	
Street Address	City	State	Zip
Social Security Number	Home Phone Number	Work Phone Number	
Preferred E-Mail Address			
Date of Birth (month/day/year)			
Date of Death (if applicable)			

Check here if this is a change of address and you would like us to update our records.

**B Distribution Reason – Select One**

**Normal** – Recipient is over age 59 ½.

**Premature** – Recipient is under age 59 ½ and not disabled. A 10% penalty may result. For Roth IRAs: Rules vary; consult with your tax advisor. For substantially equal payments see form instructions under “Additional Informational Terms”.

**Direct Rollover** – To an employer-sponsored Eligible Retirement Plan (not IRA)

**Transfer** – Transfer to another IRA. Letter of acceptance from new IRA custodian is required.

**Conversion** – IRA Conversion to Roth IRA.

**Disability** – You are disabled within the definition of the Internal Revenue Code 72(m)(7).

**Divorce** – Enclose a certified copy of the divorce decree with raised seal along with former spouse’s social security number, date of birth, letter of instruction, and former spouse’s address.

**Recharacterization** – Recharacterizing an IRA contribution to another type of IRA for the year \_\_\_\_\_.

**Death**

**Removal of Excess Contribution** – Removal is being made  Before  After (Year of Excess Contribution) \_\_\_\_\_ tax filing deadline. If **before**, please provide amount of earnings as these must be withdrawn and are subject to tax withholding \$ \_\_\_\_\_ Excess Amount \$ \_\_\_\_\_ Earnings Amount.

**Revocation** – You may revoke your IRA on or before seven days after the date of establishment. For a Traditional IRA, if you revoke your contribution it is reported to the IRS as correction of excess contribution. If you revoke a rollover it is reported to the IRS as normal distribution if you are over 59 ½ and a premature distribution if you are under 59 ½.

**C Payment – Election**

I elect distributions to be paid in the following manner:

(1)  Partial Distribution of \$ \_\_\_\_\_  
 (mark one)  Gross Distribution  Net Distribution  
 (mark one)  Immediate  At Maturity

(2)  Total Distribution (mark one)  Immediate  At Maturity

(3)  Periodic Distribution. I authorize automatic distributions of \$ \_\_\_\_\_ on a  
 (mark one)  monthly  quarterly  semi-annual  annual basis, starting on \_\_\_\_\_  
 (mark one)  Gross Distribution  Net Distribution

**Note:** Periodic payments are only available for those over age 59 ½; substantially equal periodic payments; disability; or death (inherited plans only). Periodic distributions will begin when form is received by custodian. Form must be received at least 5 business days prior to requested start date of distribution. Periodic distributions will continue until custodian is notified otherwise.

# D

## Payment Method – Select One

- (1)  Deposit into my account at Principal Bank: Account Type \_\_\_\_\_ Account Number \_\_\_\_\_ **No Charge**
- (2)  Deposit into my account at another financial institution: **(Attach a voided check or savings account statement) – No Charge**  
 Routing or ABA #: \_\_\_\_\_  Checking  Savings Account #: \_\_\_\_\_
- (3)  Mail check to me – Home Address (as listed in Section A) **Fee Applies**  
 Overnight Delivery – fee applies  Regular Mail
- (4)  Wire funds into my account at another financial institution: **Fee Applies**

Financial Institution Name:			
Address:		City:	State: ZIP Code:
Routing or ABA #: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		Account Number:	
FBO / For further credit:			

- (5)  Direct Rollover – Please provide us with mailing and deposit instructions – if check to be mailed **Fee Applies**

Payable To:		Plan Number:	
Account Name (for benefit of):			
Address:		City:	State: ZIP Code:

# E

## Withholding Election (Not Applicable to Roth IRAs.) See IRS Form W-8BEN if you are a foreign person.

You may elect out of Federal withholding by checking the appropriate box below. If no election is made, we must withhold Federal taxes at the required flat 10% rate. **If you live in a state that requires state withholding, that amount may be withheld also.** Penalties may be incurred under the estimated tax rule if your withholding and/or estimated tax payments are not sufficient.

Form W-4P, Department of the Treasury, Internal Revenue Service, OMB No. 1545-0074

- I elect **not** to have Federal income tax withheld from my IRA distribution.
- I elect to have 10 percent Federal income tax withheld from my IRA distribution. I want the following **additional amount withheld** \$ \_\_\_\_\_, or **additional percentage** \_\_\_\_\_ % withheld from each IRA distribution.
- I elect to have \$ \_\_\_\_\_ or \_\_\_\_\_ % State income tax withheld from my IRA distribution (if applicable).

# F

## Please Read and Sign X 1

I certify that I am the IRA owner, the beneficiary, or individual legally authorized to complete this form. I certify the accuracy of the information set forth in this form, and I authorize this transaction. I understand the custodian/trustee may require the completion of additional documents before processing any distributions. I understand that I am responsible for any consequences resulting from this distribution including taxes and penalties owed. I indemnify and hold the custodian/trustee harmless from any resulting liabilities. I acknowledge that the custodian/trustee cannot provide me with legal advice, and I agree to consult with a tax or legal professional for guidance.

IRA Owner/Beneficiary Name (please print): \_\_\_\_\_

Signature of IRA Owner/Beneficiary: \_\_\_\_\_

Today's Date (Month/Day/Year) \_\_\_\_\_

# X 1

# X

# X

## Mail your IRA Distribution Form in the postage-paid envelope provided or send to:

▶ Regular Mail  
Principal Bank  
PO Box 9351  
Des Moines, IA 50306-9351

Overnight Mail  
Principal Bank  
6200 Park Ave, Suite 100  
Des Moines, IA 50321

## **G** Additional Information

**Federal Withholding (Purpose of IRS Form W-4P).** You must elect whether to have federal income tax withheld from your IRA distribution. Roth IRA distributions are not subject to federal income tax withholding. You can make this election on this substitute Form W-4P or you can attach an actual Form W-4P. Unless elected otherwise, IRA distributions will have federal income tax withheld at a flat rate of 10 percent. You may use this form to elect to have no income tax withheld (except for payments to US citizens deliver outside the US or its possessions), or to have 10 percent or more withheld. Check the box reflecting your choice. Your election will apply to any later distributions from the same IRA. You may revoke your previous election from withholding by completing a new Form W-4P with your custodian/trustee. Copies of Form W-4P will not be sent to the IRS by the payer.

**Statement of Income Tax Withheld from Your IRA.** By January 31 of each year, you will receive a statement from our payer, generally your IRA custodian/trustee, showing the total amount of your IRA payments and the total income tax withheld for the previous year.

**Payments Outside the US.** An election to be exempt from income tax withholding does not apply to any periodic payment or nonperiodic distribution that is delivered outside the US or its possessions to a US citizen or resident alien. Other recipients who have these payments delivered outside the US or its possessions can elect exemptions only if an individual certifies to the payer that the individual is not: (1) an US citizen or resident alien, or (2) an individual to whom Section 877 of the Internal Revenue Code applies (concerning expatriation to avoid tax). The certification can be made in a statement to the payer under penalties or perjury.

**Penalties.** There are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. IRS Publication 505 explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your IRA using Form W-4P.

**State Withholding.** Your state may allow or require state income tax withholding on any taxable distribution.



# For Your Records

## 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 Section A (Your 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)

**Step 2) Complete Section B (Distribution Reason)**

- Only one distribution reason needs to be selected.
- The most common types of distributions are:
  - Normal – Age 59 ½ - for those who are older than 59 ½.
  - Premature – used for those under age 59 ½ taking funds out of an IRA. IRS Tax penalties will apply.
  - Direct Rollover - to an employer-sponsored Eligible Retirement Plan, 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
    - In section D Payment Method - Complete item 5 – Direct Rollover.
      - Complete the mailing and deposit instructions so Principal Bank knows how to make the check payable and where to send funds.

**Step 3) Complete Section C (Payment Election) 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 an early withdrawal fee.
- If requesting a partial withdrawal of your account balance select box 1 - Partial Distribution, specify dollar amount, Gross or Net distribution and if distribution is Immediate or At Maturity
  - 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.
- If requesting to close the account, select box 2 - Total Distribution, also mark if the request is Immediate or At Maturity
- If requesting a Periodic Distribution, select box 3 – specify dollar amount, how often you want the distribution to occur, date the distribution should start and if you want a net or gross distribution amount.

**Step 4) Complete Section D (Payment Method – Select One)**

- Select a payment method for your distribution in Section D-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	Principal Bank requires proof of account ownership in the form of a voided check, savings account statement, or an official letter from the individual's bank confirming the account and routing number. (We do not accept counter, starter or business checks.)
Wire Transfer	\$20.00 – Domestic	\$40.00 – International
Cashier's Check	\$10.00	
Overnight Mail	\$15.00	Next weekday delivery
	\$25.00	Saturday Delivery

- Please make sure the employer will accept funds being rolled into their plan.
- Complete the recipient information at the bottom of Section D. This information is needed so Principal Bank knows how to make the check payable and where to send it.

**Step 5) Complete Section E (Withholding Election) (Not Applicable 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 E. 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:
Non-participatory 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 6) Complete Section F - Signature**

- Be sure to review all information before signing the form in ‘Section F’.
- 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 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

If you have any questions, please call us at 1-800-672-3343. Our personal bankers are here to assist you from 7 a.m. to 9 p.m. (Central Time), Monday through Friday (excluding holidays).

### **Additional Informational Terms:**

**Normal** – If you are 59 ½ or older, you are not subject to the additional 10% tax on early distributions.

**Premature** – If you are under age 59 ½ you will pay taxes on the amount you receive. You may avoid a 10% premature-distribution penalty if you are in the following categories:

**Higher Education Expense** – Funds that can be withdrawn to pay for higher education expenses for you, your spouse, a child or grandchild of you or your spouse.

**First-Time Home Purchase** – You, your spouse, children, grandchildren, your ancestors, or your spouse's ancestors will use the distribution to pay for certain costs of buying a home for the first time. To qualify as a first-time homebuyer, you must not have owned a residence during the two years prior to buying a home.

**Medical Expense** – You will use the distribution to pay medical expenses that exceed 7.5 percent of your adjusted gross income.

**Health Insurance Premium** – You will use the distribution to pay for health insurance premiums. To qualify, you must have received unemployment compensation for at least 12 weeks. If you were self employed; you may be eligible even if you did not receive unemployment compensation.

**Substantially Equal Payments** – participant is under age 59 ½. Distributions are to be made at least annually using an accepted IRS calculation method and must continue for at least 5 years or until the participant reaches age 59 ½ whichever is later. Please consult with your tax advisor.

**Qualified Reservist Distribution** – A qualified reservist distribution is not subject to the additional tax on early distributions.

**Definition** – A distribution you receive is a qualified reservist distribution if the following requirements are met.

- You were ordered or called to active duty after September 11, 2001.
- You were ordered or called to active duty for a period of more than 179 days or for an indefinite period because you are a member of a reserve component.
- The distribution is from an IRA or from amounts attributable to elective deferrals under a section 401(k) or 403(b) plan or a similar arrangement.
- The distribution was made no earlier than the date of the order or call to active duty and no later than the close of the active duty period.

**Reserve component** – The term “reserve component” means the:

- Army National Guard of the United States,
- Army Reserve,
- Naval Reserve,
- Marine Corps Reserve,
- Air National Guard of the United States,
- Air Force Reserve,
- Coast Guard Reserve, or
- Reserve Corps of the Public Health Service.

**Premature w/exceptions** – These following types of distributions are automatically exempt from the 10% premature-distribution penalty tax:

- A distribution subsequently converted to a Roth IRA by rollover.
- A distribution made to satisfy an IRS levy.
- Distributions based on an election to receive substantially equal periodic payment for the greater of five-year period or until you attain age 59 ½.

**Disability** – A distribution for a disability can avoid the 10% premature-distribution penalty tax if you are younger than 59 ½ and are disabled. Refer to Internal Revenue Code (IRC) Section 72(m) (7).

**Recharacterization** – recharacterization is the treatment of a contribution as being made to another type of IRA instead of the IRA to which the contribution was initially made. The deadline to recharacterize a contribution, plus earnings, is the owner's tax-filing due date, including extensions. The IRS requires written notice of recharacterization.

**Death** – Beneficiaries who take death distributions from an IRA are not subject to the IRS penalty, regardless of their age. The beneficiary is responsible for any income tax due on the distribution. Distributions taken by the beneficiary(ies) to satisfy an IRA owner's required minimum distributions for the year of the IRA owner's death are also death distributions. A death certificate and identification will be required by the custodian/trustee. A representative of a deceased IRA owner's estate should be prepared to also provide copies of appropriate documentation, such as letters of appointment, from the decedent's state of residence.

**Removal of Excess Contribution** – An excess contribution typically occurs when the IRA owner contributes more to an IRA than is allowed by law. Removing an excess contribution, plus earnings, by an IRA owner's tax-filing due date, including extensions, avoids a 6% excise tax. For correction purposes, an IRA owner can treat an unwanted contribution as an excess.

**Revocation** – You may revoke your IRA on or before seven (7) days after the date you signed the application. For traditional IRAs only, if you revoke a regular contribution, the distribution is reported to the IRS as a correction of excess contribution in the same year. If you revoke a rollover or transfer contribution, the distribution is reported to the IRS as a normal distribution if you are age 59 ½ or older, or as a premature distribution if you are younger than age 59 ½.