

# IRA/IRRA®/SEP/SRA

## Substantially Equal Periodic Payment (72(t)) Distribution Form



**Merrill Lynch**  
Bank of America Corporation

Use this form to establish Substantially Equal Periodic Payments (SEPPs) from a Merrill Lynch:

- Individual Retirement Account (IRA) • IRRA® (Rollover IRA) • Simplified Employee Pension (SEP) plan, or • SIMPLE Retirement Account (SRA)

**Important:** Substantially Equal Periodic Payments can only be distributed in cash. You must have available cash in your account within 15 days of the scheduled distribution date.

### Modifying Or Terminating SEPPs

You cannot modify your SEPPs by changing the balance of the IRA from which you've begun taking your SEPPs. If you modify your SEPPs, the IRS may determine that all of your SEPPs, including those already taken, are subject to both the 10% penalty and retroactive interest on the penalty.

- **You cannot distribute more or less than your annual calculated amount.** Each year, you are required to receive a Substantially Equal Periodic Payment. Please note that distributions systematically rejected for insufficient funds will be considered a modification.
- **You cannot make contributions, asset transfers, or rollovers to the IRA.** If the balance of the IRA changes (except for investment gains or losses and your SEPP withdrawal), after you begin taking SEPPs, the IRS considers that to be modifying payments.
- **You cannot change the IRA from which you withdraw your SEPPs.** If you start taking SEPPs from one IRA, you cannot decide later that you want to take them from another IRA instead. While you can separately calculate and begin taking additional SEPPs from a second IRA, you must continue taking SEPPs from the first IRA for at least five years or until you reach 59½, whichever is later.

#### Exceptions for terminating or modifying SEPPs:

- You may terminate your SEPPs early due to disability or death, or when your account balance is depleted.
- If you are using one of the two fixed-payment calculation methods, you may make a one-time, penalty-free switch to the required minimum distribution method.

Any modifications of your payment schedule may result in tax penalties. Please speak with your tax advisor before modifying your payment schedule. In addition, you can refer to the "Understanding Substantially Equal Periodic Payments" fact sheet for a more detailed description.

**Complete, sign and send this form to the appropriate channel for processing. For clients with a Financial Advisor please contact your branch office directly for the appropriate fax number and address for prompt processing. If forms are sent to the wrong channel processing is not guaranteed. Please retain a second copy of this form for your records.**

#### Merrill Lynch Branch Office Clients

Please contact your personal **Financial Advisor** to obtain your branch office fax number or address for prompt processing.

#### Merrill Edge Clients (ONLY)

- Fax to: 866.557.2690
- Or, you can mail to the following address:  
Merrill Edge®  
P.O. Box 29002  
Hot Springs, AR 71903-9002

## Part 1: Account Owner Information

\_\_\_\_\_  
Your Name *(please print)*

\_\_\_\_\_  
Date of Birth *(month/day/year)*

\_\_\_\_\_  
Merrill Lynch Primary Retirement Account Number

**Instruction Type** *(Please select one of the following):*

- New       Change

#### Related Accounts:

List all accounts that were included in your 72(t) annual calculation and indicate the annual amount to be distributed from each account. A minimum of \$1 annually must be distributed from each account. For more information, see the Aggregating Account Balances section of this form.

\_\_\_\_\_  
Merrill Lynch Related Retirement Account Number      \$ \_\_\_\_\_  
Must be at least \$1.00

\_\_\_\_\_  
Merrill Lynch Related Retirement Account Number      \$ \_\_\_\_\_  
Must be at least \$1.00

\_\_\_\_\_  
Merrill Lynch Related Retirement Account Number      \$ \_\_\_\_\_  
Must be at least \$1.00

\_\_\_\_\_  
Merrill Lynch Related Retirement Account Number      \$ \_\_\_\_\_  
Must be at least \$1.00

## Part 2: Substantially Equal Periodic Payment Distribution Information

(a) Check your calculation method:

- Life Expectancy/Required Minimum Distribution       Amortization       Annuitization

(b) Check the corresponding distribution frequency:

- Monthly       Quarterly       Semi-Annually       Annually

(c) Check the corresponding distribution measuring period:

- Calendar Year – January to December distribution period, regardless of enrollment date in the SEPP Service. The full annual amount must be distributed by 12/31. (72t will be satisfied 12/31 of the year in which both the 5 year and 59 1/2 year rule have been fulfilled.)
- Rolling Calendar Year – Rolling 12-month distribution period, distributions to be completed by the 365th day following the date of enrollment

(d) Enter the date you want your new distributions to start:

(mm/dd/yyyy) \_\_\_\_ / \_\_\_\_ / \_\_\_\_

(e) Enter the annual computed amount you are required to take under your chosen method of calculation. If you selected the Required Minimum Distribution method, please enter the annual distribution amount calculated for this year.<sup>1</sup> Annual computed amount: \$ \_\_\_\_\_

(f) If this is a continuation of a Substantially Equal Periodic Plan began elsewhere, enter the date you received the first SEPP distribution. If this is a new SEPP instruction, enter the same date provided in part 2(d).

Date of SEPP distribution: (mm/dd/yyyy) \_\_\_\_ / \_\_\_\_ / \_\_\_\_

(g) If you are transferring your retirement account to Merrill Lynch and have taken some of your Substantially Equal Periodic Payments for the current year at another institution, please indicate the amount of distributions you have already taken:

\$ \_\_\_\_\_

*Note: A copy of your statement from your prior custodian, reflecting total distributions taken year-to-date, is required. If on a rolling calendar cycle, a prior year 1099-R is also required.*

## Part 3: Withholding Election

Important: Please read the Withholding Notice section of this form before completing this section.

**Withholding Election: You MUST indicate your withholding election below.**

**Complete if you are providing a U.S. Address:**

### Federal Withholding:

**Please note that if you do not make a withholding election, federal income tax will be automatically withheld from your distribution at a rate of 10%.**

- Do not withhold federal income tax from my distribution.
- Withhold federal income tax from my distribution (check one):
- At a rate of 10%       At a rate of \_\_\_\_\_% (must be greater than 10%)
- At \$ \_\_\_\_\_ (dollar amount must be greater than 10% of the total distribution value)

### State Withholding:

**State withholding may also be required in certain states. To determine your state's withholding requirements refer to the supplemental State Tax Withholding Rate Document.**

The minimum required for the state of \_\_\_\_\_ is \_\_\_\_\_.

- Do not withhold state income tax from my distribution (to the extent permitted by law).
- Withhold state income tax for the state of \_\_\_\_\_ from my distribution at the rate of \_\_\_\_\_%, or amount of \$ \_\_\_\_\_.

### Part 3: Withholding Election (continued)

#### Local Withholding:

Local withholding may be applicable for the states of Indiana and New York.

#### Complete if you are providing a Foreign Address:

**Important: If you are a U.S. person with a foreign address, you may not waive the Federal withholding requirement. If you are a Non-Resident Alien, all distributions are subject to a tax treaty rate or 30% tax withholding and you must complete Form W-8BEN.**

I am a U.S. Citizen living abroad (check one)

Withhold:  At a rate of 10%       At a rate of \_\_\_\_\_% (must be greater than 10%)

At \$ \_\_\_\_\_ (dollar amount must be greater than 10% of the total distribution value)

I am a Non-Resident Alien (check one)

Withhold:  30%       Tax Treaty rate of \_\_\_\_\_% Country \_\_\_\_\_

### Part 4: Distribution Method

Please check one of the boxes below to indicate where you would like your distribution sent.

If you choose to distribute to an outside financial institution, please make sure to include the information requested below. For example, a voided check that is preprinted with your name and address, as well as your financial institution's address. If you don't have a preprinted check, or if the account you want to access is not a checking account, you must provide a letter from your financial institution on its letterhead. The letter must be signed by an officer of the institution and must include: 1) your account title, 2) type of account (checking, savings, other), 3) account number, 4) institution's ABA routing/transit number, and 5) your taxpayer identification number.

**Distribute to a Merrill Lynch non-retirement account**

\_\_\_\_\_  
Account Number

**Distribute to a Bank of America account (Automated Clearing House)**

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
ABA Routing Number (voided check not required)

**Mail check to the account address on file**

**Mail check to the address listed here:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Memo:\*

\*This information will not be displayed in the envelope window.

**Distribute to an outside financial institution (Automated Clearing House)**

\_\_\_\_\_  
Name of Institution

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
ABA Routing Number

**Outside account to be credited** (please select one):

Checking (Enclose a pre-printed, voided check for the account)

Savings (Enclose a letter of authorization from your financial institution)

Other (Enclose a pre-printed, voided check for the account or a letter of authorization from your financial institution)

## Part 5: Automatic Liquidation (Optional)

Complete this section if you would like to fund your scheduled distribution by liquidating mutual funds in your account. To authorize Merrill Lynch to automatically liquidate your eligible mutual funds, please complete the specified fields below. (If additional space is needed, please attach a separate letter).

Mutual Funds/Cash	Security Symbol	Percentage Amount (whole numbers only)
		%
		%
		%
		%
		Total 100%

### Notes:

- Liquidation will only occur from the funds you have authorized. If a selected fund does not have sufficient value to cover the allocated percentage, the order will be restricted to 95% of the market value of the fund to minimize the risk of an order execution in excess of the available amount under volatile market conditions. The remaining unfulfilled amount will be liquidated proportionately from the other specified funds. If the amount is still unavailable, the system will use available cash/cash equivalents to fulfill the distribution.
- Contingent deferred sales charges (CDSC), redemption fees, and/or transaction fees may apply and result in insufficient funds to process the requested distribution.
- Clients currently enrolled in Managed Products are not eligible for automatic liquidation.

## Part 6: Signature

Please sign and date the form and return it to your Merrill Lynch financial advisor or the Merrill Edge Advisory Center or if you are a Merrill Edge self-directed investing client, return it to the Investment Center.

I acknowledge that I have reviewed the information entered above and have read the terms of the Merrill Lynch retirement plan from which I am taking the distribution and the Withholding Notice and my instructions comply with those terms.

I hereby authorize Merrill Lynch to initiate distributions from my Merrill Lynch IRA, IRRA, SEP IRA, or SIMPLE IRA in the manner specified within this form, on a recurring basis, after income-tax withholding, if any, and upon such schedule as I have instructed. I also authorize Merrill Lynch to distribute the funds as directed by my instruction from my Merrill Lynch retirement account to another Merrill Lynch non-retirement account, to me by check, or to another financial institution via Automated Clearing House (ACH).

I agree that Merrill Lynch will not perform a scheduled distribution if the dollar amount of the scheduled distribution is not available in one or a combination of the following accounts: cash credit balance, money market mutual fund shares, or Retirement Asset Savings Program account balance. I agree that it is my responsibility to ensure that timely instructions are given to Merrill Lynch so that such amounts are available to be distributed as scheduled.

I agree that this authorization and my withholding elections will remain in effect until either expires, per my instruction, or until changed by completing a new distribution form.

If electing ACH distributions, I authorize the financial institution holding the bank account to accept ACH transfers to my account without responsibility for the correctness thereof. I agree that Merrill Lynch will not be liable for any loss, liability, cost or expense for acting or failing to act upon my authorization, except to the extent required by applicable law. I authorize Merrill Lynch to initiate debit or credit transfers to correct erroneous transfers, to the extent permitted by law. (I have reviewed this form in its entirety, and hereby certify that all information as it appears is correct and may be relied upon by the custodian.)

*Note: The rules governing distributions can be complex, and you might be subject to taxes based on your distribution. We urge you to consult your tax advisor or attorney for further guidance. I understand that if the distribution is made payable to a third party payee, I will be responsible for any taxes that are due as a result of these requested or recurring distributions.*

*By signing below, I am stating that: (i) my Substantially Equal Periodic Payments are calculated pursuant to an IRS-approved method; (ii) I understand that distribution must continue until the later of five years from the date of the first distribution or until attainment of age 59 ½ ; and (iii) I have not relied on Merrill Lynch for tax or legal advice.*

X \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## Withholding Notice

Federal income taxes are required to be withheld (subtracted) from your distribution at a flat rate of 10% unless you tell us that you do not want any taxes withheld. State income taxes will be withheld according to the specific requirements of the state in which you reside. You must use this form to instruct us whether you want income taxes withheld from distributions you will receive from your retirement account. Certain states require that you complete their state form to opt-out of state taxes when your distribution is subject to federal income taxes. To determine your state's requirements, please refer to the supplemental State Tax Withholding Rate Document. Even if you elect to not have federal and state taxes withheld from your distribution, you are liable for payment of federal and state income taxes on the taxable portion of your distribution.

### How to choose not to have taxes withheld.

If you do not want any federal taxes withheld from your distributions, check the appropriate box in Part 3 (Withholding Election) on the Distribution Form and sign at the bottom. Your selection will also serve as an election not to have state taxes withheld from your distributions. If you do want state taxes withheld, check the appropriate box and indicate the applicable state withholding rates. **If you do not make an election, we will assume you choose to have federal and, if applicable, state income taxes withheld from all distributions.**

### Changing your choice.

You can change your withholding election at any time or as often as you wish by completing the appropriate federal and state tax withholding sections.

### Estimated taxes.

Under Internal Revenue Service Rules, if you choose not to have federal income taxes withheld, or if the amount withheld from your distribution is not sufficient, you may be responsible for paying estimated taxes each quarter. When your actual taxes for a year are determined, you could incur IRS penalties if your estimated federal income tax payments were not sufficient. You may incur similar tax penalties under state law.

## SEPPs and Tax Reporting

Early Distributions for clients *enrolled in the Merrill Lynch SEPP Service* who also meet SEPP requirements will be reported on IRS Form 1099-R with the following reason code in box 7:

- '2' ("Early distribution, exception applies") for clients under age 59½
- '7' ("Normal distribution") for clients age 59½ and older

Early Distributions for clients *enrolled in the Merrill Lynch SEPP Service* who have modified the current payment stream will be reported on IRS Form 1099-R with the following reason code in box 7:

- '1' ("Early distribution, no known exception") regardless of age
- Other reasons for Merrill Lynch NOT to report the "early distribution, exception applies" on IRS Form 1099-R:
  - If you transfer your primary or any of your related SEPP accounts from Merrill Lynch to another financial institution for a year in which you are scheduled to or already have received Substantially Equal Periodic Payments, Merrill Lynch will not report the exemption from the early distribution penalty.
  - Distribution requests systematically rejected for insufficient funds will be considered a modification to the ML SEPP service. Please see Modifying SEPPs for further detail.

## Aggregating Account Balances

You may choose to calculate your annual SEPP based on the account balance of a single account or you may choose to calculate your annual SEPP based on the account balances of multiple Merrill Lynch IRA, IRRA, SEP or SIMPLE retirement accounts with the same social security number. The latter feature is known as aggregating. In this case, your annual SEPP calculation would be based on the combined account balance of all those accounts designated as part of the SEPP relationship. The accounts remain separate but the balances are combined for the purpose of calculating the annual SEPP distribution amount. In an effort to monitor and track the activity of the entire SEPP relationship, each account must be enrolled in the SEPP Service. Only those accounts designated as part of the SEPP relationship will be monitored. If you maintain other IRA, IRRA, SEP or SIMPLE retirement accounts that are not designated as part of the relationship, those accounts would not be subject to any SEPP Service restrictions.

You have two options for aggregating account balances:

- One account must be designated the primary account. SEPP distributions would only be paid out of that account. The related accounts would be set up to distribute \$1 annually in excess of the annually calculated amount; or
- One account must be designated the primary account and all others would be designated as related accounts. Each account will distribute an amount designated by you (all amounts must total the annually calculated SEPP distribution amount) and paid based on the selected frequency.

Clients electing to aggregate their account balances may transfer funds among the primary and the related accounts in order to meet distribution requirements. Transfer requests will only be allowed if the accounts are designated as part of the SEPP relationship on this form.

If one of the combined accounts has activity that violates SEPP guidelines, all of the accounts, including the primary, would be terminated from the service and all distributions for the current year would be reported as "premature, no known exception." IRS Form 1099-R would reflect code "1" in box 7.

Special rules may apply for required minimum distributions. We urge you to consult your tax advisor for further guidance.



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### Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value
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