

# Merrill Lynch Required Minimum Distribution Service through Merrill Edge<sup>®</sup>



The Merrill Lynch Required Minimum Distribution (RMD) Service allows you to authorize Merrill Lynch to automatically calculate and distribute your annual RMDs from your individual retirement account (IRA) to a Merrill Edge<sup>®</sup> account, Bank of America account or any other financial institution you choose.

## Who can participate?

This service is available to IRA, IRA,<sup>®</sup> Simplified Employee Pension (SEP) IRA and Savings Incentive Match Plan for Employees (SIMPLE) IRA clients who must take RMDs.

- An RMD is the minimum distribution you must begin taking each year from your IRAs after reaching age 70 ½.
- If this is your first distribution year, you have until April 1 of the year after you reach age 70 ½ to take your first distribution.<sup>1</sup> In all years after that, your RMD must be taken by December 31.
- Inherited IRA owners may be eligible for the Beneficiary RMD Service.

## What are the benefits of the RMD Service?

- This service will simplify the distribution process by automatically calculating and distributing your RMD each year.
- By automatically calculating your distribution, Merrill Lynch helps ensure that your RMD is taken each year, avoiding potential additional taxes.
- The service also helps ensure that you do not over-or under-distribute in a given year.

## How does the service work?

- Each January, Merrill Lynch will provide you with an annual RMD calculation for each IRA you own at Merrill Edge.<sup>2</sup>
- Your RMD amount for each IRA is calculated based on its December 31 value from the previous year, your age at the end of the current year and, under certain circumstances, your primary beneficiary's age.

- The service automatically will send your RMD to you by check, or electronically distribute it into your Cash Management Account<sup>®</sup> (CMA<sup>®</sup> account), Bank of America checking or savings account or an account at another financial institution on a schedule you choose (monthly, quarterly, semiannually or annually).
- You can also have your scheduled distribution liquidated by converting specific mutual funds into cash.
- If you maintain multiple IRAs at Merrill Edge and want each of your RMDs automatically distributed to you each year, you must enroll each account separately in the service.
- If you take a one-time distribution outside of this service, you will have the option to subtract the distribution amount from the Service's remaining RMD amount.

## How do you enroll?

To enroll in the service, simply follow these steps:

1. Complete the Merrill Lynch RMD Service Enrollment and Authorization Form.
2. Return the completed form, along with any additional documentation, if required, to:  
Merrill Edge Advisory Center  
P. O. Box 29002  
Hot Springs, AR 71903  
Or fax to 866.557.2690

You will receive a written confirmation once your enrollment is complete.

Enrollment in the service is limited to one distribution instruction per account.

<sup>1</sup> If you elect to take your first distribution by April 1 of the following year, you will be required to take another distribution during that year as well.

<sup>2</sup> Provided all necessary information is filed.

Investment products:

**Are Not FDIC Insured**

**Are Not Bank Guaranteed**

**May Lose Value**

## What happens if a scheduled distribution does not occur?

You need to make sure your cash and/or money is available for your scheduled distribution. If a scheduled distribution does not occur, you might not meet your RMD obligation and may be subject to an additional tax of 50% of the difference between the RMD amount you should have taken and the amount actually taken.

- You can use the automatic liquidation of mutual funds service to help ensure funds are available. If you decide to fund your distribution via automatic liquidation, you need to ensure that the selected funds are available at the time of redemption.
- Merrill Lynch will adjust future payments to make up for a missed distribution. If a scheduled distribution does not occur, Merrill Lynch will divide the remaining RMD amount by the remaining total number of payments scheduled, based on your selected payment frequency, to satisfy your RMD for that year.
- If sufficient liquid funds are unavailable in your account on a scheduled distribution date, Merrill Lynch will continue to monitor that account for available cash and/or money accounts for 15 days.
- If funds become available during the 15 days, Merrill Lynch will attempt to make the scheduled distribution. If sufficient funds are still unavailable after 15 days, your distribution request will not be processed, and you may have to take other action to meet your RMD obligation for that year.

For scheduled distributions in December, Merrill Lynch will stop monitoring your account for available funds on the last business day of the tax year (typically December 31), even if the 15 days have not passed. If funds are still unavailable on December 31, we will be unable to process the distribution request. If there is a possibility that your account may have insufficient available funds from which to make RMDs, contact a Merrill Edge Financial Solutions Advisor™ in sufficient time to raise the needed funds. Self-directed clients may contact the Investment Center with any questions regarding fund availability.

## What happens if you enroll for the current year?

- Generally, the amount of each scheduled distribution is calculated by dividing the annual RMD by the total number of payments scheduled for that year. However, if you enroll in the service with a current-year start date, Merrill Lynch will, if necessary, prorate your remaining scheduled payments, based on your selected payment frequency, to satisfy your RMD for that year.
- Distributions taken from your account before your enrollment in the service will not be considered when prorating your scheduled distributions. For example, if you enroll in June, choose monthly distributions and your RMD is \$12,000 for that year, Merrill Lynch will distribute \$2,000 per month from July through December.
- Please contact Merrill Edge if, when prorating your scheduled distributions, you want to consider previous distributions taken from your account before enrollment in the RMD Service.

## What if you already have instructions on file?

For accounts with existing periodic distributions, please contact Merrill Edge before you enroll to discuss whether those instructions should be changed or canceled. Enrolling in the service will not automatically cancel any existing instructions.

## How can you get started?



**VISIT [merrilledge.com/fsalocator](https://merrilledge.com/fsalocator)** to find a Merrill Edge Financial Solutions Advisor™ at select Bank of America financial centers.



**CALL 888.ML.INVEST (888.654.6837)** Monday through Friday, 8 a.m. to 10 p.m. Eastern if you're already a client.

***Interested in becoming a client?***

Call **888.MER.EDGE (888.637.3343)**.

Neither Merrill Edge nor any of its affiliates provide tax, accounting or legal advice. Please contact your independent tax advisor regarding the items discussed herein.

# Merrill Lynch RMD Service Enrollment and Authorization Form

## PART 1. ACCOUNT OWNER

Please provide all information as requested.

\_\_\_\_\_  
Name (Please print)

\_\_\_\_\_  
Merrill Edge® retirement account number

\_\_\_\_\_  
Date of birth (month/day/year)

\_\_\_\_\_  
Phone number

Instruction type (Please select one of the following.)  New  Change  Cancel

**If you have taken a distribution, or distributions, from this account within this calendar year and want the distribution(s) considered when calculating your RMD for this calendar year, please check one of the options below.**

Consider the total value of the distribution(s) taken this calendar year.

Only consider the following portion of the distribution(s) taken this calendar year: \$\_\_\_\_\_

## PART 2. DISTRIBUTION METHOD

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

If you choose to distribute your RMD to an outside financial institution, please make sure the voided check 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.

**A.** Distribute to a Merrill Lynch non-retirement account \_\_\_\_\_  
Account number

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

\_\_\_\_\_  
Account number

\_\_\_\_\_  
ABA routing number (voided check not required)

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

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

\_\_\_\_\_  
Memo\*

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

**E.** 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 preprinted, 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 3. DISTRIBUTION SCHEDULE

Indicate the start date and frequency of your distributions.

Distribution start date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
(month) (day) (year)

(Please note that if you have elected to have your distributions sent to an outside financial institution, your start date must be at least 10 days after your enrollment date.)

Distribution frequency (Please select one of the following)

Monthly  Quarterly  Semiannually  Annually

You can choose the payment frequency — monthly, quarterly, semiannually or annually — of your RMD distribution and the day of the month on which the distribution occurs. If this day falls on a weekend or holiday, distributions will be made on the prior business day. You may select only one day per month per account to take your distribution.\*

\*To accurately calculate your RMD for the current tax year, your January payment may not be distributed until or around January 20.

**PART 4. 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%

**Note:**

- 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 5. WITHHOLDING ELECTION**

**Important:** Please read the Withholding Notice before completing this section. After reading the Notice, you MUST indicate your withholding elections 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 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.
- Withhold state income tax for the state of \_\_\_\_\_ from my distribution at the rate of \_\_\_\_\_ %, or amount of \$ \_\_\_\_\_.

**Local Withholding:**

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

**Complete if you are providing a foreign address:**

If you are a U.S. citizen 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 total distribution value)
- I am a Non-Resident Alien (check one)      Withhold:
  - 30%    Tax Treaty rate of \_\_\_\_\_% Country \_\_\_\_\_

## PART 6. SIGNATURE AUTHORIZATION

Sign and date the form and return it to:

Merrill Edge Advisory Center  
P. O. Box 29002  
Hot Springs, AR 71903

Or fax it to 866.557.2690

**I hereby authorize** Merrill Lynch to effect distributions from the Merrill Lynch or Merrill Edge IRA, IRRA, SEP IRA or SIMPLE IRA designated on this form in the payment frequency indicated and in an amount that satisfies my annual RMD amount, as calculated by the Merrill Lynch RMD Service for said account.

I hereby authorize Merrill Lynch to make my scheduled distributions for the account described in Part 1 of this form, with income tax withholding as elected, and to distribute the amount indicated after income tax withholding, if any.

I understand Merrill Lynch will not process a scheduled distribution if the dollar amount of the 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 understand Merrill Edge self-directed may offer different money markets than the Merrill Edge Advisory Center. I agree it is my responsibility to ensure that timely instructions are given to Merrill Lynch so such amounts are available to be distributed as scheduled. I agree if such amounts are not made available by me to meet a scheduled distribution, it is my responsibility to take any necessary steps, including additional distributions to ensure I satisfy my RMD obligation for the account described in Part 1 of this form for the year. If electing Automated Clearing House (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 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 understand 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.

I have reviewed this form in its entirety, and hereby certify all information as it appears is correct and may be relied upon by the custodian/Merrill Lynch.

\_\_\_\_\_  
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 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. For North Carolina (NC) residents, if federal taxes are withheld and you choose to opt-out of NC state taxes, the NC State Tax Form (NC-4P) will be required. 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 5 (Withholding Election). 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 in Part 5 and indicate the applicable state withholding tax 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 taxes under state law.**



Bank of America Corporation

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