



## Beneficiary Restricted Payout - Middle Class Trust

In the video entitled "Beneficiary Restricted Payout - Middle Class Trust" Hans and Tom use Midland Nationals document to discuss estate planning.

**BENEFICIARY RESTRICTED PAYOUT-MIDDLE CLASS TRUST**

<b>S.S</b> <input type="checkbox"/>	<ul style="list-style-type: none"> <li>- SPEND THRIFTS, INVESTMENT MANAGEMENT, RELATIVES &amp; FRIENDS</li> <li>- PARTIAL LUMP SUM, PARTIAL PAYOUT OVER TIME</li> <li>- IRA - MAXIMUM PAYOUT TERM IS 9 YEARS</li> <li>- NON-QUALIFIED</li> </ul>	<b>INCOME</b> <input type="checkbox"/>				
<b>MED</b> <input type="checkbox"/>	<ul style="list-style-type: none"> <li><input type="checkbox"/> LIFE ANNUITY - NO PERIOD CERTAIN</li> <li><input type="checkbox"/> LIFE ANNUITY - PERIOD CERTAIN <ul style="list-style-type: none"> <li><input type="checkbox"/> 5 YRS <input type="checkbox"/> 10 YRS <input type="checkbox"/> 20 YRS</li> </ul> </li> <li><input type="checkbox"/> ANNUITY - FOR A PERIOD CERTAIN <input type="checkbox"/> 5 YRS <input type="checkbox"/> 10 YRS <input type="checkbox"/> 20 YRS</li> </ul>	<b>ESTATE</b> <input type="checkbox"/>				
<b>LTC</b> <input type="checkbox"/>	<ul style="list-style-type: none"> <li>- PAYOUT FREQUENCY - <input type="checkbox"/> MONTHLY <input type="checkbox"/> QUARTERLY <input type="checkbox"/> SEMI-ANNUAL <input type="checkbox"/> ANNUAL</li> </ul>					
<b>401K/IRA</b> <input type="checkbox"/>	<table border="1"> <tr> <td> <b>MIKE 73</b> - \$430,000 IN ANNUITY  <b>STEPHANIE 70</b> - \$40,000 YR FOR LIFE WITH 10 YR PERIOD CERTAIN            - IF MIKE DIED SOON            - LIFE INCOME GETS LARGER AS TIME PASSES         </td> <td> <b>JOE 80</b> - FATHER  <b>TOM 48</b> - SPEND THRIFT            \$500,000 - LIFE INCOME WITH 10 YR PERIOD CERTAIN         </td> </tr> <tr> <td colspan="2"> <b>GEORGE 75</b> SS \$4,500  <b>MARY 72</b> SS \$1,800            \$250,000 ANNUITY TO REPLACE THE \$1,800 MONTHLY INCOME WHEN FIRST ONE DIES         </td> </tr> </table>	<b>MIKE 73</b> - \$430,000 IN ANNUITY <b>STEPHANIE 70</b> - \$40,000 YR FOR LIFE WITH 10 YR PERIOD CERTAIN - IF MIKE DIED SOON - LIFE INCOME GETS LARGER AS TIME PASSES	<b>JOE 80</b> - FATHER <b>TOM 48</b> - SPEND THRIFT \$500,000 - LIFE INCOME WITH 10 YR PERIOD CERTAIN	<b>GEORGE 75</b> SS \$4,500 <b>MARY 72</b> SS \$1,800 \$250,000 ANNUITY TO REPLACE THE \$1,800 MONTHLY INCOME WHEN FIRST ONE DIES		<b>TAXES</b> <input type="checkbox"/>
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# Beneficiary restricted payout option form



P.O. Box 10385, Des Moines, IA 50306-0385

## 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

Policy/Contract number (if known)

Owner's name (first, middle initial, last)			Social Security number
Joint Owner's name (first, middle initial, last)			Social Security number
Non-natural Owner			Tax ID number/Employer ID number
Street address			Apartment/suite number
City	State	ZIP	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	Social Security number
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**Individual Retirement Annuity (IRA) Contract.**

**Note: All proceeds must be paid within ten years from the date of death of the Owner.**

### A. 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 B, 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 B, 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). The date cannot exceed 10 years.

### B. Payout option - payments must cease prior to the 10th anniversary of the Owner's death.

- Lump sum
- Period Certain in years - select only one:**  1 year  2 year  3 year  4 year  5 year  6 year  7 year  8 year  9 year

### C. Payout frequency:

- Monthly
- Quarterly
- Semi-annually
- Annually

*Continued on page 2*

## 2. Restricted Beneficiary payout options (continued from page 1)

- 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.

**Note: 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.**

### A. 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 B, 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 B, 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).

### B. Payout option

- Option 1 – Life annuity:** The interest will be distributed in the form of fixed, level annuity payments. 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.
- Option 2 – Life annuity with a period certain:** The interest will be distributed in the form of fixed, level annuity payments. 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 5, 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.
- Lump sum
- Period certain in years - select only one:**  5 years  10 years  20 years
- Option 3 – Annuity for 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 for a period certain of \_\_\_\_ years (only 5, 10, or 20 years maybe 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.
- Lump sum
- Period certain in years - select only one:  5 years  10 years  20 years
- Option 4 – Systematic withdrawals:** The interest will be distributed in the form of systematic withdrawals until the accumulation value is fully distributed. This option requires the Beneficiary to complete a new application at the time of claim.
- Option 5 – Greater of a specified amount or life expectancy payout.**  
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).

- C. Payout frequency:**  Monthly  Quarterly  Semi-annually  Annually

Continued on page 3

### 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® Life Insurance Company 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.

### 4. Fraud statements

**CA Residents:** For your protection, California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Owner's signature	Signature date (mm/dd/yyyy)
Joint Owner's signature (if applicable)	Signature date (mm/dd/yyyy)
Spouse's signature* (only applicable if Owner resides in: AK, AZ, CA, ID, LA, NV, NM, TX, WA, or WI)	Signature date (mm/dd/yyyy)
Irrevocable Beneficiary (if any) signature	Signature date (mm/dd/yyyy)

\*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.



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