

Franklin Templeton IRA Distribution Request Form



[Do not use for Beneficiary Distributions, Beneficiary Designation Changes, Corrections of Excess Contributions, Recharacterizations, or Coverdell ESA Distributions.]

For assistance, please call your financial advisor or Franklin Templeton Retirement Services at 1-800/527-2020.

1 PARTICIPANT INFORMATION Please Print

Name Social Security Number Date of birth (required) (mm/dd/yyyy)

Street address Check here if new address* City State ZIP code

*Signature Guarantee required for distributions to a new address.

INFORMATION ON YOUR REGISTERED INVESTMENT REPRESENTATIVE (IF ANY): Name Phone number Fax number

2 IRA ACCOUNT INFORMATION

Account number

PLEASE INDICATE TYPE OF IRA BELOW.

Traditional IRA Rollover IRA Roth IRA* Roth Conversion IRA*
 SEP-IRA SARSEP-IRA SIMPLE-IRA**

***ROTH IRA AND ROTH CONVERSION IRA PARTICIPANTS:** If you have participated in the Roth plan for **at least 5 years** since your first contribution year, check this box:

****SIMPLE-IRA PARTICIPANTS:** If you have participated in the SIMPLE-IRA plan for **at least 2 years**, check this box:

3 DISTRIBUTION EVENT Check one

- Age 59½ or older**
- Permanent & Total Disability:** Please complete the certification (**section A**) on the reverse side.
- First-time Homebuyer Expense:** I certify that all conditions listed in **section C** on the reverse side have or will be met.
- Higher Education Expense:** I certify that all conditions listed in **section D** on the reverse side have or will be met.
- Under Age 59½:** A federal tax penalty of 10%, or as much as 25% if from a SIMPLE-IRA, may apply. Special rules apply to Roth distributions. See IRA Distribution Guide for further information.
- Divorce Transfer:** **The following sections of the court-approved divorce decree/property settlement must be provided:** (1) the first page ("title page"), (2) the page(s) referring to the distribution or "IRA Divorce Transfer" and (3) the page showing the court's approval (page with judge's signature). (Refer to **section E** on the reverse side.)
- Qualified Charitable Distribution (age 70½ or older):** I certify this distribution meets the requirements described in IRC §170(b)(1)(A) and does not exceed the annual aggregate limit of \$100,000. I understand that this distribution will be used to satisfy my Required Minimum Distribution and will be reported on Form 1099-R as a normal distribution. According to my signature guarantee and payment instructions in Section 6, the check will be sent directly to the qualified charitable organization. I will be responsible for providing appropriate documentation to the IRS. In order to opt out of federal tax withholding, I understand that I must complete Section 5.

4 METHOD OF DISTRIBUTION

Balance of Account

Partial Payment of \$; % ; or Shares

Pay Dividends & Capital Gains (which will be reinvested unless checked)

Periodic Payments: Monthly Quarterly Annually **Beginning** (mm/dd*/yy) | | | | 2 | 0 |

CHOOSE ONE PERIODIC PAYMENT OPTION: Period certain years (not to exceed maximum life expectancy).

Fixed amount \$ (not over life expectancy).

**Fixed amount \$ over life expectancy based on an assumed interest rate.

Minimum based on Life Expectancy. **If spouse is your beneficiary, please provide beneficiary information below:

Name of spousal beneficiary (of record) Date of birth (mm/dd/yyyy) Social Security Number

*Periodic Payments may be processed on the 1st, 5th, 10th, 15th, 20th or 25th; if no selection is made, payments will be processed on the 20th.

NOTE: January Required Minimum Distributions ("RMD") may be delayed if the 1st or 5th is chosen; prior year-end balances must be posted before the RMD calculation can be finalized.

**If under 59½, you will be deemed to have elected single life expectancy payments under IRC §72(t)(2)(A)(iv) unless you indicate otherwise. (See IRA Distribution Guide.)

5 WITHHOLDING ELECTION (If no election is made, federal taxes will be withheld at a rate of 10% and when applicable, the appropriate minimum required state taxes will be withheld.)

FEDERAL TAX WITHHOLDING

Please read the *Withholding Election Notice* on the reverse side (section F).

- 1. **NO** federal tax withheld on my IRA distribution.
- 2. Please withhold federal taxes from my distribution at the rate of _____ % (minimum 10%).

STATE TAX WITHHOLDING - If you have questions regarding state withholding, please consult with a tax advisor or your state's taxing authority.

If you are a resident of:	State tax withholding policy:
CALIFORNIA or VERMONT	If federal tax is withheld, state tax withholding is mandatory (withheld at the state's minimum) unless you specifically elect not to have state taxes withheld by checking this box: <input type="checkbox"/> NO state tax withholding on my distribution
UTAH or VIRGINIA	State tax withholding is permitted whether or not federal tax is withheld. You may elect to have state tax withheld (withheld at the state's minimum) from your distribution by checking this box: <input type="checkbox"/> YES withhold minimum state tax on my distribution

6 DISTRIBUTION INSTRUCTIONS Check one

- Forward check(s) to me.
 - Direct payment(s) to an address other than my address of record as instructed in section B on the reverse side.
- (Please note that the Plan Participant's signature must be guaranteed if funds are to be directed to an alternate address.)

7 PARTICIPANT'S CERTIFICATION & AUTHORIZATION

I hereby acknowledge that I have received and read the IRA Distribution Guide. I expressly assume full responsibility for all tax implications of this distribution. I certify under penalty of perjury that all information contained herein, including my Social Security number (above), is true and correct. I further certify that I am a U.S. person (including a U.S. resident alien). *(Nonresident aliens should cross out the preceding sentence and, if claiming treaty benefits, attach a completed Form W-8BEN.)*

X _____ Daytime phone number
 Signature of Participant Date ()

SIGNATURE GUARANTEE STAMP*

*Your signature must be guaranteed if your distribution is over \$100,000 or if your funds are to be sent to an address other than the address of record, to a new address, or payable to a third party. Signatures may be guaranteed by one of the following: (1) national or state banks, savings associations, savings and loan associations, trust companies, savings banks, industrial loan companies, and credit unions; (2) national securities exchanges, registered securities associations, and clearing agencies; (3) securities broker/dealers which are members of a national securities exchange or clearing agency, or which have minimum net capital of \$100,000; or (4) institutions that participate in the Securities Transfer Agent Medallion Program ("STAMP"). *A notarized signature will not be sufficient for the request to be in proper form.*

Upon completion, please send to:	WEST COAST	EAST COAST
	Franklin Templeton Bank & Trust, F.S.B. c/o Retirement Services P.O. Box 997153 Sacramento, CA 95899-7153 1-800/527-2020	Franklin Templeton Bank & Trust, F.S.B. c/o Retirement Services P.O. Box 33033 St. Petersburg, FL 33733-8033 1-800/527-2020

A CERTIFICATION OF PERMANENT & TOTAL DISABILITY

One of the following must be provided as proof of your Permanent & Total Disability.

- 1. Copy of your valid Social Security Award Certificate
- 2. The certification below completed by your physician

PHYSICIAN'S CERTIFICATION OF PERMANENT & TOTAL DISABILITY I hereby certify that the Participant named on the reverse side has become unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected to last at least 12 months, and will be permanent and continuous during the remainder of his/her lifetime. I understand that this will serve as proof of Permanent and Total Disability of the Participant, in order for his/her distributions to be exempt from the IRS' 10% early distribution excise tax.

Physician's signature X _____	Date _____
Name (please print or type) _____	Name of Hospital/Clinic _____
Street address _____	City _____ State _____ ZIP code _____

3. Certification was previously provided to FTB&T & I certify that it is still valid: **Approximate date submitted** (Month/Year) _____

B ALTERNATE PAYMENT INSTRUCTIONS (IF NOT DIRECTING PAYMENT TO YOUR ADDRESS OF RECORD)

CHECK ONE:

- Direct Rollover to a Franklin Templeton Qualified Plan Fund number _____ Account number _____
- Deposit to my personal Franklin Templeton account Fund number _____ Account number _____
- Direct Rollover to Qualified Plan* (Signature Guarantee or trustee acceptance required)
- Send to my bank account or other address* (Signature Guarantee required)

*Please provide relevant information necessary to properly direct your payment(s) below.

Trustee or Bank _____	Account number _____
Address _____	City _____ State _____ ZIP code _____
Phone number () _____	Bank routing number _____

(If to a bank account, please provide a copy of a deposit slip or voided check.)

- For Divorce Transfers Only** (check one): Transfer to Former Spouse's: Existing FTB&T IRA Acct. # _____ Fund number _____ Account number _____
- New FTB&T IRA (a signed IRA application is attached)

C FIRST-TIME HOMEBUYER EXPENSE EXCEPTION

Internal Revenue Code (IRC) §72(t)(2)(F) provides for a penalty-free IRA distribution for qualified first-time home purchases. In order for this distribution to qualify as penalty-free, *all* of the following conditions must be met:

- Neither you nor your spouse (if married) has owned a home in the past two years.
- The distribution will be used within 120 days of receipt for the acquisition (or construction) of your principal residence.
- The amount you have designated on the reverse side does not exceed your lifetime "first-time homebuyer" cap of \$10,000.

By checking the "First-time Homebuyer Expense" Distribution Event box, you will be certifying that all three of the above are true.

D HIGHER EDUCATION EXPENSES (FOR PARTICIPANT OR DEPENDENT)

IRC §72(t)(2)(E), provides for a penalty-free IRA distribution for qualified higher education expenses. In order for this distribution to qualify as penalty-free, *all* of the following conditions must be met:

- The education expenses are incurred (no earlier than 1998) by the Participant, his or her spouse, child, or grandchild.
- The distribution is used to pay for a qualifying education expense as defined in IRC §529(e)(3), which includes tuition, books, fees, school supplies and equipment, and room and board (provided the student is at least a half-time student).
- The school being attended must be an eligible educational institution as defined in IRC §529(e)(5), which generally includes colleges, universities, vocational schools, or certain other post-secondary educational institutions.

By checking the "Higher Education Expense" Distribution Event box, you will be certifying that all three of the above are true

E DIVORCE TRANSFER INFORMATION

A Divorce Transfer of IRA plan assets pursuant to a court-approved divorce decree or property settlement is not a taxable distribution event [IRC §408 (d)(6)]. Assets awarded to the former spouse must be transferred to an IRA in the former spouse's name. A new IRA account application must be submitted if an account for the former spouse is not already established. If the assets are to be transferred to a new custodian, please provide a trustee acceptance letter from the new custodian. The former spouse may request from his/her IRA an immediate distribution by completing an IRA Distribution Form.

Please keep your beneficiary designation current. If you would like to restate your beneficiary designation, please provide Franklin Templeton with a completed and signed Franklin Templeton Designation of Beneficiary Form which can be found at franklintempleton.com or by calling 1-800/632-2350.

F WITHHOLDING ELECTION NOTICE

If you elect not to have federal income tax withheld, you are still liable for payment of federal income tax on the taxable portion of your distribution. Penalties under the estimated tax payments rules may also apply if your payments of estimated tax withholding, if any, are not adequate. You may choose to have an additional percentage withheld, if you wish.

You are required to elect out of withholding in order for no withholding to apply to your distribution. If no election is made, federal taxes will be withheld at a rate of 10%. If you are a Roth IRA owner, you may elect to have withholding applied to your distribution; however, it is not required [IRC §3405(e)(1)(B) as amended by the 2001 Consolidated Appropriations Act].

For periodic payments, your election will remain in effect until you revoke it. You may change or revoke your withholding election by sending a signed letter to Franklin Templeton Bank & Trust at least 15 days prior to the date on which you wish the change to take effect. Alternatively, you may change your withholding status by completing IRS Form W-4P, referencing the appropriate retirement plan account and sending it to Franklin Templeton Bank & Trust. You may change or revoke your withholding election as often as you wish.

Unless you are a nonresident alien, federal tax withholding at a rate of 10% is required on any distribution delivered to you outside of the United States or its possessions. You cannot choose not to have income tax withheld on line 1 of Form W-4P.

IRA distributions to nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% foreign-person withholding tax on the taxable portion of the distribution. However, many income tax treaties provide that IRAs are eligible for a reduced rate or exemption from withholding and tax. If you are a nonresident alien, you should submit Form W-8BEN, *Certificate of Beneficial Owner for United States Tax Withholding*, to Franklin Templeton Bank & Trust before receiving any payments. The Form W-8BEN must contain a U.S. taxpayer identification number (TIN) if you are claiming benefits under a tax treaty.

IRA Distribution Guide

The Internal Revenue Code (IRC) provides several complex rules relating to the taxation of your IRA distributions. This notice contains important information you should know when receiving benefits from your IRA. (*Distributions from a Roth IRA or Roth Conversion IRA are discussed on the reverse side.*) For further information, refer to *IRS Publication 590 Individual Retirement Arrangements* or the IRS website, www.irs.gov.

I EARLY DISTRIBUTION PENALTY TAX

If you are under age 59½ and do not roll over your distribution within 60 days of receipt, the IRS may impose a federal excise tax of 10% on the taxable portion of the distribution. The excise tax is increased to 25% if the distribution is taken from a SIMPLE-IRA within the first two years of plan participation. However, a distribution may not be subject to this premature penalty tax if it is:

1. On account of the Participant's permanent and total disability [as defined under IRC §72(m)(7)];
2. One of a series of periodic payments over the Participant's single or joint life expectancy that continues for a minimum period of five years *and* through age 59½ [IRC §72(t)(2)(A)(iv)];*
3. Used towards the purchase, construction, or reconstruction of the Participant's first home within 120 days of such acquisition (subject to a lifetime cap of \$10,000);
4. Used towards a qualifying educational expense of the Participant, his spouse, child, or grandchild;
5. Used to pay for deductible medical expenses [i.e., those in excess of 7.5% of adjusted gross income (AGI)];
6. Used to pay health insurance premiums if unemployment compensation is received for at least 12 consecutive weeks; or
7. Paid to a designated beneficiary upon the Participant's death.

An exception to the penalty tax may be claimed by filing Form 5329. Obtain IRS Form 5329 and its instructions for further information from the IRS website, www.irs.gov.

*A modification of the payment schedule may result in the retroactive application of the penalty tax on all pre-age 59½ payments. Further guidance is provided in IRS Notice 89-25, which also permits "annuitization" of the account balance using an assumed rate of return. Those electing payments under this exception take full responsibility for monitoring and proper reporting of such payments. Requests to adjust fixed payment amounts must be in writing.

II QUESTIONS & ANSWERS ON IRA REQUIRED MINIMUM DISTRIBUTIONS

(Not applicable to Roth IRAs or Roth Conversion IRAs)

Q-1 When must I begin receiving distributions from my IRA?

A-1 Distributions must start no later than April 1 following the year you attain age 70½ (your "70½ year"). However, you must take your second distribution by December 31 of the year following your 70½ year and a minimum distribution must be taken every year thereafter. A 50% IRS penalty tax may be imposed on the amount you fail to withdraw by your required deadline.

Q-2 How is my required minimum distribution calculated?

A-2 Your Required Minimum Distribution ("RMD") is based upon a uniform distribution period that is determined by using a single table and using your actual age attained in the distribution year and without regard to whether or not you have named a beneficiary (see table below for spousal beneficiary who is more than 10 years younger). The IRS table used for determining your distribution period is the Uniform Lifetime Table. To calculate your RMD, the prior year-end (December 31) balance of your account is divided by the applicable divisor in the current Uniform Lifetime Table. The current Table may be found in *IRS Publication 590, Individual Retirement Arrangements* or the IRS website, www.irs.gov.

Q-3 If I have designated my three children as primary beneficiaries of my IRA, can the minimum distribution amount be based on the joint life expectancy of myself and the youngest of my three children?

A-3 No. According to the final IRS RMD regulations, even when multiple primary beneficiaries are designated, only your age is used to calculate your RMD by using a divisor that is the same as the divisor in the current Uniform Lifetime Table.

If your beneficiary designation is:	Refer to:
A. Your Spouse who is sole primary beneficiary for the <i>entire</i> year.	The current Uniform Lifetime Table using your actual age attained in each distribution year. For an individual age 70, the applicable divisor is 27.4 years. However, if your spouse is <i>more than 10 years younger</i> , refer to the Joint Life Expectancy Tables to find the new life expectancy factor each year by using the actual ages of you and your spouse in the distribution year.
B. Non-spouse beneficiary or spouse who is <i>not the sole beneficiary</i> .	The current Uniform Lifetime Table using your actual age attained in each distribution year.
C. Entity (Non individual)	The current Uniform Lifetime Table using your actual age attained in each distribution year.

Q-4 Am I allowed to aggregate the minimum distribution amount of each of my IRAs held at different institutions, and then withdraw that total amount from one of my IRAs?

A-4 Yes, according to IRS Notice 88-38, you may satisfy the minimum distribution requirements by calculating the balance of each IRA separately, adding together the RMD amounts of all IRAs, and withdrawing the total amount from any one or more of your IRAs.

Taxation of Distributions from a Roth IRA or Roth Conversion IRA

- I. In order for a distribution from a Roth IRA or a Roth Conversion IRA to be “tax free,” two conditions must be met: (1) the distribution must occur after the fifth year the account has been in existence **and** (2) one of the following four qualifying events must be met:
1. The Participant’s attainment of age 59½.
 2. The Participant’s permanent and total disability [defined under IRC §72(m)(7)].
 3. The distribution will be used towards the purchase, construction, or reconstruction of the Participant’s first home (up to a lifetime limit of \$10,000) within 120 days of each acquisition.
 4. The distribution is made to the designated beneficiary upon the Participant’s death.
- II. **If the five-year period has not elapsed** (or none of the qualifying events listed in section I above has been met), distributions may be subject to taxes and penalties.

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