

# Withdrawal Request

For One-Time/Periodic and Systematic Withdrawals



MERIT LIFE INSURANCE CO. | 1900 SOUTH BLVD., SUITE 300 | CHARLOTTE, NC 28203 | 833-637-4854

## General Information

Use this form to request an annuity withdrawal (one-time/periodic or systematic) by completing the sections below and providing a W4 form, if applicable. This form should not be used to request Required Minimum Distribution (RMD) or to facilitate a transfer/rollover to another qualified product.

Changes are considered effective when they are received in good order as acknowledged by us in writing.

## 1. Contract Information

Contract Number	
Name of Owner	Social Security Number or Tax I.D.
Name of Joint Owner (if applicable)	Social Security Number or Tax I.D.
Mailing Address of Owner	Telephone Number
Street Address of Owner (required if mailing address is a P.O. Box)	
Name of Annuitant	Social Security Number or Tax I.D.

## 2. Distribution Election

### Withdrawal Type:

- One-Time/Periodic Withdrawal
- Cash Value Surrender
- Systematic Withdrawals (Annuitizations)

### Frequency:

- Monthly
- Quarterly
- Semi-Annual
- Annual

Your payment will be sent to you on the 15th day of the month for the elected distribution frequency. If the 15th falls on a weekend or holiday, the withdrawal will be processed on the next business day.

### Withdrawal Amount:

- Fixed Dollar Amount: \$ \_\_\_\_\_  Net  Gross (default)
- Maximum Penalty-Free Amount
- Interest Only
- Percentage of Accumulation Value: \_\_\_\_\_ %

# Withdrawal Request

For One-Time/Periodic and Systematic Withdrawals



MERIT LIFE INSURANCE CO. | 1900 SOUTH BLVD., SUITE 300 | CHARLOTTE, NC 28203 | 833-637-4854

## Important Withdrawal Information

- The amount of each periodic withdrawal payment must be equal to or greater than \$250.
- Systematic payments are irrevocable payment streams made at regular intervals over a period of more than one year. They are paid at regular intervals during the year (i.e., annually, quarterly, monthly, etc.).
- Withdrawals from your annuity contract are subject to federal income tax withholding. Also, withdrawals taken prior to age 59 ½ may be subject to an IRS Penalty Tax.
- Withdrawals, including one-time/periodic withdrawals, cannot begin until after the “Right to Examine” or free look period expires.
- If you do not elect Net or Gross after the withdrawal amount above, your withdrawal(s) will be processed as a Gross withdrawal.

## 3. Cash Value Surrender

By my signature in the signature section of this form, I confirm that I am electing to surrender my contract and receive the Cash Surrender Value. **I understand that, if applicable, surrender charges and a market value adjustment will be deducted from the total amount withdrawn from the Contract Value as part of this request.**

- I am submitting my contract with this request.
- The contract is not included because it has been lost or destroyed.

## 4. Distribution Method

Select your withdrawal distribution method from the options below. If no option is selected, a check payable to the Owner will be sent to the address of record by regular mail.

- Address of Record** or  **Alternate Address** (below)

Street Address		
City	State	Zip

- Direct Deposit** – We will deposit the funds directly in the bank account indicated below using Electronic Funds Transfer (EFT) provided the name on the bank account is the same as the owner of the annuity contract.

### Type of Account:

- Checking – Please attach voided check for the listed account.
- Savings – Please include a bank statement, deposit slip, or letter from the bank for the listed account.

Account Name (as it appears on the account)	Bank Name
Routing Number (bottom left of check)	Account Number (bottom center of check)

**By providing bank information and signing this form, you are authorizing Knighthead Life to credit annuity payments and debit amounts to recover any payment(s) made in error.** Note, EFT for surrenders is not available unless accompanied by an original Medallion Signature Guarantee.

# Withdrawal Request

For One-Time/Periodic and Systematic Withdrawals



MERIT LIFE INSURANCE CO. | 1900 SOUTH BLVD., SUITE 300 | CHARLOTTE, NC 28203 | 833-637-4854

## 5. Tax Withholding Election Notice and Election

### Federal Income Tax Withholding (Select One Option Only)

Withdrawals from your annuity contract are subject to federal income tax withholding. The portion of your withdrawal included in taxable income is subject to a default 10% federal tax unless you elect otherwise. You may elect not to have taxes withheld by completing IRS form W-4R for one-time or periodic withdrawals or W-4P for systematic withdrawals (i.e. annuitizations).

If no election is made, the federal income tax of 10% will be withheld from the taxable portion of each payment.

- DO NOT withhold federal income taxes (complete W-4R or W-4P, as applicable).
- WITHHOLD federal taxes at the default rate.
- WITHHOLD federal taxes at a rate of \_\_\_\_\_% (complete W-4R or W-4P, as applicable).

- The IRS requires form W-4R for non-systematic payments or W-4P for systematic payments to be completed when an amount different than 10% is requested to be withheld.
- Systematic payments are irrevocable payment streams made at regular intervals over a period of more than one year e.g., annuitization. They are paid at regular intervals during the year (i.e., annually, quarterly, monthly, etc.).
- These forms are accessible through IRS.gov, our website or upon request.

Not withholding federal taxes or withholding insufficient federal taxes may impact the need for you to pay estimated taxes.

**You are responsible for the payment of estimated taxes as indicated by the IRS on forms W-4R and W-4P. Please consult a tax advisor regarding tax withholding as it pertains to your individual situation.**

### State Income Tax Withholding (Select One Option Only)

Depending on your state of residence, state income tax withholding may be required. Some states allow you to opt out of withholding. If your state requires a specific form to opt out, we must receive that form before processing your election.

- DO NOT withhold state income tax from my payments
- WITHHOLD federal taxes at a rate of \_\_\_\_\_% OR in the amount of \$ \_\_\_\_\_ .

**Please refer to the “Withholding Election & Important Tax Notification” and the “State Tax Withholding Table” for instructions regarding specific state withholding information.**

## 6. Certification & Signatures

- I certify that the contract number shown on this form is my contract number. I further certify that this contract is neither assigned nor pledged as collateral to any other person or corporation and that no proceedings in bankruptcy or insolvency, voluntary or involuntary have been instituted by or against the owner(s) and that the owner(s) is (are) not under guardianship or any legal disability.
- I understand that requesting a surrender, systematic withdrawal(s), one time or periodic withdrawal(s) from my annuity contract may result in tax consequences.
- If direct deposit applies, by completing the direct deposit section of this form and signing below, I hereby authorize the Company to deposit withdrawals from the annuity contract listed in the Contract Information section of this form to the bank account specified. In the event an overpayment(s) should be credited to my account, I hereby authorize Knighthead Life to initiate, if necessary, debit entries and adjustments for any credit entries.
- If I am electing a Cash Value Surrender/Total Withdrawal, I understand that upon surrender of the contract the Company is discharged from all other obligations under the contract and that the contract is no longer in force.

# Withdrawal Request

For One-Time/Periodic and Systematic Withdrawals



MERIT LIFE INSURANCE CO. | 1900 SOUTH BLVD., SUITE 300 | CHARLOTTE, NC 28203 | 833-637-4854

**If you are a U.S. Citizen, complete the information below. Under penalties of perjury, I certify that as a U.S. Citizen or U.S. Resident Contract Owner:**

- The social security number shown on this form is my correct social security number or taxpayer identification number.
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.
- I am a U.S. citizen or U.S. resident for tax purposes.

Signature of Owner X	Date (mm/dd/yyyy)
Signature of Joint Owner (if applicable) X	Date (mm/dd/yyyy)

## 7. Withholding Elections & Important Tax Notification

<b>General Provisions</b>	<ul style="list-style-type: none"><li>• Withdrawals must be made in accordance with the provisions of your annuity contract.</li><li>• Review your annuity contract before submitting a withdrawal request to ascertain your request will be subject to early withdrawal penalties such as a surrender charge and market value adjustment.</li><li>• Also review your annuity contract for withdrawal minimums, contract fees or other restrictions that apply. Withdrawals will affect the death benefit and Contract Value.</li></ul>
<b>One-Time or Periodic Withdrawal</b>	<ul style="list-style-type: none"><li>• If the requested withdrawal amount exceeds the available surrender value at the time that the withdrawal is processed, the Company will NOT complete that withdrawal and will cancel the withdrawal associated with it. In such cases, we will attempt to contact the owner for further instructions.</li><li>• Withdrawals are processed on the 15th day of the month. If that date falls on a non-business day (i.e., a weekend or federal holiday in which the company is closed), the withdrawal will be processed on the next business day.</li><li>• One-Time or Periodic Withdrawals requested on this form supersede any previous instructions and will remain in effect until the Company receives further written instructions from the owner or until direct deposit is discontinued by your bank. Such written instructions must be signed by all owners and sent to Knighthead Life, 1900 South Boulevard, Suite 300, Charlotte, NC 28203 or via email to <a href="mailto:customerservice@knightheadinsurance.com">customerservice@knightheadinsurance.com</a>.</li><li>• To cancel a periodic withdrawal, please contact Customer Care at <a href="mailto:customerservice@knightheadinsurance.com">customerservice@knightheadinsurance.com</a> or (833) 637-4854.</li></ul>

# Withdrawal Request

For One-Time/Periodic and Systematic Withdrawals



MERIT LIFE INSURANCE CO. | 1900 SOUTH BLVD., SUITE 300 | CHARLOTTE, NC 28203 | 833-637-4854

<b>Systematic Withdrawals</b>	<ul style="list-style-type: none"><li>• If a scheduled systematic withdrawal would reduce the Contract Value below the minimum account value required by the annuity contract, the Company will not process that systematic withdrawal and will terminate the systematic withdrawal.</li><li>• Systematic withdrawals requested on this form supersede any previous instructions and will remain in effect until the Company receives further written instructions from the owner or until direct deposit is discontinued by your bank. Such written instructions must be signed by all owners and sent to Knighthead Life, 1900 South Boulevard, Suite 300, Charlotte, NC 28203 or via email to <a href="mailto:customerservice@knightheadinsurance.com">customerservice@knightheadinsurance.com</a>.</li><li>• To cancel a systematic withdrawal, please contact Customer Care at <a href="mailto:customerservice@knightheadinsurance.com">customerservice@knightheadinsurance.com</a> or (833) 637-4854.</li></ul>
<b>Withholding Elections &amp; Important Tax Notification</b>	<ul style="list-style-type: none"><li>• The taxable portion of a withdrawal from an annuity contract is considered ordinary income for tax purposes. The Company is required to withhold federal taxes (and state taxes where applicable) from any withdrawal unless you opt out of income tax withholding and provide your social security or tax ID number.</li><li>• <b>Even if you elect not to have federal income tax withheld, you are liable for payment of federal income tax on the taxable portion of your withdrawal and the Company is obligated to report this information both to you and to the Internal Revenue Service (IRS). If your payment of estimated tax and withholding, if any, is not adequate, you may also be subject to penalties under the estimated tax payment rules. Consult your tax advisor or the IRS for more information.</b></li><li>• If you are a U.S. citizen/legal resident/resident alien and the withdrawal check is sent outside the United States, the Company is required to withhold federal tax.</li><li>• Any taxable portion of the withdrawal you are requesting will be subject to ordinary income taxes and if the withdrawal is taken prior to age 59½, an IRS Penalty Tax may also apply.</li></ul> <p>If you do not complete Section 5:</p> <ul style="list-style-type: none"><li>• The Company will automatically withhold federal income tax of 10% on the taxable portion of your withdrawal(s).</li><li>• The Company will withhold state income tax in states where it is mandatory (please refer to “State Income Tax Withholding Table”).</li><li>• The Company will not withhold state taxes if you reside in states where state withholding is not available (refer to “State Income Tax Withholding Table”).</li></ul> <p><b>State Income Tax</b></p> <ul style="list-style-type: none"><li>• State income tax withholding requirements vary depending on your state of primary residence at the time of the withdrawal. Refer to the “State Income Tax Withholding Table” for annuity withdrawals and rollovers.</li><li>• To ensure correct withholding applied, elect state tax withholding on withdrawal requests where federal tax withholding is elected.</li><li>• The Company and its affiliates, subsidiaries, employees and agents do not provide tax or legal advice. Please note that tax laws and regulations are subject to change. For the most current information, consult with a tax professional or refer to your state’s Department of Revenue.</li></ul>