



**Principal Funds**  
PO Box 8024  
Boston, MA 02266-8024

**Overnight Mail:**  
30 Dan Road  
Canton, MA 02021-2809

800-222-5852  
PrincipalFunds.com

## IRA 72(t) Distribution

- Use this form to establish substantially equal periodic payments from your Traditional IRA, Roth IRA, SEP IRA, or SIMPLE IRA.
- This form may be used **for an IRA holder under the age of 59½** who desires income, yet wants to avoid the IRS 10% early withdrawal penalty.
- Indicate type of IRA:  Traditional IRA  Roth IRA  SEP IRA  SIMPLE IRA
- Please type or print clearly.

### 1. Account Information

Please provide your current address and account information so we can ensure that your account is up to date.

Account Number

First Name, Middle Initial, Last Name

Social Security Number

Date of Birth (MM/DD/YYYY)

Legal Street Address (no P.O. Box Addresses), City, State, Zip

Mailing Address (if different from above), City, State, Zip

Contact Telephone Number

E-mail Address

### 2. Distribution Method

Please select a distribution method below and provide the calculation for the method you have selected. The method you choose must remain unchanged until age 59 1/2 or for five years, whichever is later. The distribution payments will continue until we receive notification from you to cancel them. Note: Principal Funds will not perform calculations for these methods.

- A.  Life Expectancy Method  
The distribution amount will be calculated annually and will be based on the prior year-end value, divided by the life expectancy method chosen.
- Single Life
  - Joint Life  
If joint life expectancy is chosen, we will use the beneficiary information previously on file with Principal Funds. To name or change beneficiary information, please complete a *Beneficiary Designation* form.
- B.  Amortization Method
- C.  Annuity Factor Method
- D.  Fixed Amount \$ \_\_\_\_\_  
If a fixed amount is indicated, the shareholder is responsible for the calculation and the method chosen.

### 3. Proceeds Instructions

Principal Funds offers a variety of payment methods for your distribution. Please review and choose one of the options below. To verify if your account is already linked to a bank account, please call Principal Funds at (800) 222-5852.

- ACH into bank account ON FILE
- ACH into bank account NOT ON FILE (Please complete Section 5 and provide Medallion Signature Guarantee in Section 7)
- Mailing address of record

## 4. Distribution Payment Options

Please indicate when you would like your distributions to begin and the distribution frequency. If you do not select a distribution frequency, Principal Funds will establish a monthly distribution. If you do not select a day, we will process your distribution on the 15th day of each distribution period. **Please allow 3 business days for your 72(t) to be established.**

You are responsible for maintaining adequate balances in each fund to support distributions.

A.  When would you like to start the distributions? \_\_\_\_\_  
(MM/DD/YYYY)

B.  How often would you like to take distributions?  Monthly  Quarterly  Semiannually  Annually

C.  Take my distributions from:  All funds in equal % – OR –  As indicated below:

_____	_____	\$ _____	– OR –	_____ %
Fund Name	Fund Number			
_____	_____	\$ _____	– OR –	_____ %
Fund Name	Fund Number			
_____	_____	\$ _____	– OR –	_____ %
Fund Name	Fund Number			
_____	_____	\$ _____	– OR –	_____ %
Fund Name	Fund Number			

## 5. Bank Information

Automated Clearing House (ACH) purchases/redemptions are transferred free of charge on the second business day following the request. Bank Wire redemptions are transferred the following business day, if requested before the close of the New York Stock Exchange. Principal Funds charges a \$10 fee each time funds are sent by Bank Wire. Your bank may also charge a fee. It may take additional business days for your bank account to reflect this activity. If establishing a Systematic Withdrawal Plan (SWP), please allow 3 business days for your bank account information to be established and validated.

If the bank information below includes a common owner, the bank information will be added to your account and any existing bank information will be changed. If you do not wish to change/add this bank account information to your account(s), please attach a letter of instruction. **Your request may require a Medallion Signature Guarantee Stamp.** Please see section 7 for details.

Bank Name \_\_\_\_\_ ABA Routing Number \_\_\_\_\_ Bank Account Number \_\_\_\_\_

**Checking Account** (please tape a preprinted voided check below)

**Savings Account** (please tape a preprinted deposit slip or proof of account\* from your banking institution)

JOHN DOE  
1234 MAIN STREET  
ANYTOWN, IA 12345 01044

DATE \_\_\_\_\_

PAY TO THE ORDER OF: \_\_\_\_\_

\_\_\_\_\_ DOLLARS

FOR \_\_\_\_\_

⑆ 33045678 ⑆ 23456789 ⑆ 01044

1                      2

1 Bank Routing Number  
(requires 9 digits)  
2 Bank Account Number

\*Proof of account must include bank account registration, bank account number, ABA routing number and include a bank employee signature on bank letterhead.

## 6. Tax Withholding

I have reviewed the listed information below titled "Withholding Notice". **If tax withholding applies, it will be taken from the distribution amount requested. If CDSC applies, it will be taken above the distribution amount requested.**

### Federal Tax Withholding

**I understand that 10% of my distribution will be withheld for Federal Income Tax unless I make a different election below.**

- I elect **NOT** to have federal income tax withheld.  
 Please withhold federal income tax at the following percentage: \_\_\_\_\_ % (whole percentage only)

### State Tax Withholding

Check one of the following boxes to indicate whether you wish to have state income taxes withheld. State tax withholding may apply even if you do not check a box below. Also, some states do not offer state tax withholding. Refer to the Withholding Notice below for specific information concerning your state.

Please indicate your state of residence for state tax withholding purposes: \_\_\_\_\_

- I elect **NOT** to have state income tax withheld.  
 Please withhold state taxes in the amount of \$ \_\_\_\_\_ (dollar amount only)

### Withholding Notice

Tax withholding elections are designated with each transaction request. Withholding elections for Systematic Withdrawal plans remain in effect until instructions are received to change it.

#### Federal Tax Withholding

Distributions from your IRA are subject to federal income tax withholding in the amount of 10% unless you elect not to have withholding apply. Distributions from your Roth IRA are not subject to income tax withholding unless you elect to have withholding apply.

#### State Tax Withholding

If federal income tax withholding is applied to your distribution, your state may also require state income taxes to be withheld. State laws regarding tax withholding are subject to change at any time without notice. Please see your tax advisor for additional information. Depending on your state of residency, the following rules apply:

If your state of residence has:	Your options for state tax withholding are:
Mandatory State Withholding	If you elect federal tax withholding, state tax withholding <u>will</u> be applied, and will be calculated based on your state's applicable minimum requirements. You may also elect a specific dollar amount, however, your requested amount must be equal or greater than your state's minimum withholding requirement, otherwise we will apply your state's applicable minimum withholding requirement.
Non-Participatory State Withholding	You may not elect state tax withholding. State tax withholding is <u>not available</u> even if your state has state income taxes.
Voluntary State Withholding	You may elect voluntary state income tax withholding. You must provide a specific dollar amount to be applied for state tax withholding.

Regardless of whether you elect to have federal, and if applicable, state tax withholding apply, you are liable for the payment of federal income tax, any state or local taxes, and any penalties which may apply to your distribution. You also may be subject for tax penalties under the estimated tax payment rules if your estimated tax payments and withholding are not adequate. IRS Publication 505 should be reviewed, especially by new retirees.

## 7. Signatures

Read this section to make sure you understand your responsibilities regarding 72(t) distributions from your IRA.

Sign and date below to indicate you have given Principal Funds all the correct information. You are indicating you understand distributions will be made according to the instructions you have given us.

I hereby request and authorize the distribution of payments in the manner indicated above. I intend that this distribution will be a series of substantially equal periodic payments as provided in Section 72(t) of the Internal Revenue Code, and therefore, will not be subject to a 10% federal penalty tax. I request that this distribution be so reported on tax forms.

If I have elected the Amortization or Annuity Factor Method in Section 2. I understand and acknowledge:

- I alone am responsible for selecting a reasonable interest rate used to calculate payments.
- If the interest rate I have selected is deemed by the IRS not to be reasonable, the distributions may not qualify as "substantially equal periodic payments."
- In that case, I alone will be liable for all resulting penalty taxes and interest.

In addition, regardless of the method I have elected in Section 2, I understand and acknowledge:

- If I modify the series of payments **before** the later of age 59½ or five years after the first of these payments, I will be subject to the penalty provided for by Section 72(t).
- In that case, the 10% early distribution penalty will apply.
- The 10% penalty, plus interest will be payable in the year of the modification.
- State tax penalties may also apply.

I have been advised that Principal Funds strongly recommends that I consult with a tax professional prior to completing and signing this form. I have discussed this distribution plan with a tax advisor to the extent that I wish. I hereby indemnify and hold harmless Principal Funds and its subsidiaries for any tax consequences of this distribution request and the elections made above.

I acknowledge that I have read and understood this **72(t) Distribution** form and the instructions for completing it. I understand that:

**These instructions control how much will be distributed from my Principal Funds IRA each year. These instructions will continue in effect until I provide written notification of cancellation or a new set of instructions to the Principal Funds.**

I certify under penalty of perjury that the Social Security Number I have provided on this form is correct.

\_\_\_\_\_  
Principal Account Owner's/Authorized Signer's  
Signature

\_\_\_\_\_  
(MM/DD/YYYY)

\_\_\_\_\_  
Principal Account Owner's/Authorized Signer's  
Signature

\_\_\_\_\_  
(MM/DD/YYYY)

**Medallion Signature Guarantee:**

**Medallion Signature Guarantee:**

\_\_\_\_\_  
Bank Account Owner's First Name, Middle Initial, Last Name

\_\_\_\_\_  
Bank Account Owner's First Name, Middle Initial, Last Name

\_\_\_\_\_  
Bank Account Owner's Signature

\_\_\_\_\_  
(MM/DD/YYYY)

\_\_\_\_\_  
Bank Account Owner's Signature

\_\_\_\_\_  
(MM/DD/YYYY)

**Medallion Signature Guarantee:**

**Medallion Signature Guarantee:**

A Medallion Signature Guarantee stamp is required for each Principal Account Owner's signature if requesting:

- distributions totaling more than \$100,000
- distributions to a bank account NOT ON FILE, NO voided check/deposit slip is provided and there is NOT a common owner between the registrations of the Principal Account and the Bank Account (in this case, we also require a signature and a Medallion Signature Guarantee stamp for each Bank Account Owner)

The signature(s) must be guaranteed by a commercial bank, trust company, credit union, savings and loan, national securities exchange member, or brokerage firm that participates in a Medallion program recognized by the Securities Transfer Association. A signature guaranteed by a notary public or savings bank is not acceptable.