

# 403(b) (7) Distribution Request

Principal Funds  
PO Box 219971  
Kansas City, MO 64121-9971  
800-222-5852  
**Overnight Mail:**  
430 W 7th St, Ste 219971  
Kansas City, MO 64105-1407  
**PrincipalFunds.com**



- Use this form to take distributions from your 403(b) account.
- An Employer or Authorized Plan Administrator signature is required for all distribution requests unless otherwise indicated.
- If taking distributions under the IRC 72(t) rule, please contact us for a 72(t) Distribution Form.
- If taking distributions to satisfy your Required Minimum Distribution (RMD), please contact us for a Required Minimum Distribution (RMD) Request Form.
- For death distributions, please complete a Retirement Plan Beneficiary Form.
- If your account contains assets attributed to pre-1987 balances, they may be eligible for special treatment. Please see a tax advisor prior to completing this form.
- 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

XXX-XX-

Social Security number (Last 4 digits)

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. Reason for distribution

Distributions from your 403(b)(7) custodial account are generally subject to applicable Federal and State income tax. You may not withdraw any funds from the 403(b)(7) custodial account before reaching age 59 ½, except in limited circumstances, as stated in the Custodial Account Agreement. If you do qualify for one of the exceptions and withdraw assets, they will be subject to income taxes, and if the withdrawal is before you reach age 59 ½, you may also be subject to an additional 10% tax on the amount withdrawn. **Section 3 of this form MUST be completed when requesting a distribution from your 403(b)(7) custodial account unless otherwise indicated.** We encourage you to consult with your personal tax advisor to the extent you deem necessary. You are responsible for the tax consequences of the withdrawal being requested. Please refer to IRS Publication 571, or contact the IRS at 800-829-1040 or visit [irs.gov](http://irs.gov) for more information.

Triggering event (choose one)<sup>1</sup>:

- Normal distribution (age 59 ½ or older)
- Plan termination
- Severance from employment<sup>2</sup>
- Financial hardship
- Disability - Attach a copy of your Social Security approval of disability benefits.
- Divorce - This option is only available when transferring assets to a former spouse. Please obtain a Medallion Signature Guarantee stamp in Section 8 and contact Principal Funds at 800-222-5852 to determine if additional paperwork may be required.
- Removal of Excess Contribution in the amount of \$ \_\_\_\_\_ made on \_\_\_\_\_ (MM/DD/YYYY)

<sup>1</sup>Please consult your tax advisor, or refer to IRS Publication 571, to determine eligibility for your chosen event.

<sup>2</sup>This triggering event does NOT require an Employer or Authorized Plan Administer signature.

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### 3. Authorization of employer/plan administrator

By signing this distribution request by the employee, I certify that the requirements for a valid distribution under Internal Revenue Code Section 403(b) have been met, and that I have entered into a 403(b) plan agreement with the investment service provider as required by regulations.

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Signature of Employer or Authorized Plan Administrator

Date (MM/DD/YYYY)

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Title

Company

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### 4. Distribution payment options

A. Please select one of the following distribution payment options, then complete Section 4B.

Balance of account

Partial distribution (choose one)     Dollar amount \_\_\_\_\_     Number of shares \_\_\_\_\_

Systematic Withdrawal Plan (SWP) beginning on \_\_\_\_\_ (MM/DD/YYYY) in the amount of \$ \_\_\_\_\_

Please select one of the following:

Monthly             Semiannually

Quarterly            Annually

Dividend and/or Capital Gains Distributions paid in cash

**Note: Distributions that are \$10 or less will automatically be reinvested into the same Fund and share class. Federal and state tax withholding do not apply for this option.**

B. Take my distributions from:     Pro Rata<sup>1</sup>     All funds in equal %    – OR –     As indicated below:

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

<sup>1</sup> Pro Rata distributions will be taken proportionately from your account based on share balances at the time of request.

Please allow up to 3 business days if the proceeds are being sent electronically or up to 10 calendar days to receive a check.

## 5. Distribution 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. If no distribution instructions are provided the check will be sent regular mail to the address of record.

- Direct Rollover to a qualifying account (Attach an IRA Transfer/Direct Rollover form or letter of acceptance from new custodian. See 402(f) notification in Section 8).
- Deposit into bank account ON FILE<sup>1</sup>       ACH<sup>2</sup>       Wire (\$10.00 fee)
- Deposit into bank account NOT ON FILE\* (Please complete Section 6 and provide Medallion Signature Guarantee in Section 8)
  - ACH\*\*       Wire (\$10.00 fee)
- Direct distribution into new account (Please attach a completed application)
- Mailing address of record (A Medallion Signature Guarantee is required in Section 8 for lump-sum distributions requested within 15 days of an address change)
- Overnight check to address of record (\$15.00 fee)
- Mail to address other than the address of record or alternate payee (Medallion Signature Guarantee required in Section 8)

Payee \_\_\_\_\_  
Address \_\_\_\_\_

<sup>1</sup>If no option is elected, we will send the proceeds via ACH

<sup>2</sup> If the bank information provided does not include a common owner, ACH is not an option.

## 6. Bank information

Automated Clearing House (ACH) 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 8 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<sup>1</sup> from your banking institution)

The diagram shows a voided check with the following information:  
- Payer: JOHN DOE, JANE DOE, 1234 MAIN STREET, ANYTOWN, IA 12345  
- Bank Routing Number: 01044  
- Payee: PAY TO THE ORDER OF: \_\_\_\_\_  
- Amount: \_\_\_\_\_ DOLLARS  
- Date: DATE \_\_\_\_\_  
- MICR line: ⑆ 33404 5678 ⑆ 23456 1304 ⑆ 01044  
- Labels: 1 points to the first 9 digits (334045678), 2 points to the last 4 digits (1304). A large 'VOID' watermark is overlaid on the check.

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

<sup>1</sup>Proof of account must include bank account registration, bank account number, ABA routing number, and include a bank employee signature on bank letterhead.

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## 7. Tax withholding

Your year-end statement will show your 403(b)(7) distribution(s) and the amount(s) withheld for taxes, if any, for the year. If the distribution you take is an Eligible Rollover Distribution (ERD) then we will withhold 20% per IRS regulations, unless you indicate the distribution is to be rolled over. If the distribution is not eligible for rollover, as outlined in the 402(f) notice in Section 8, then you may follow the voluntary Federal Income Tax withholding rules. In addition to Federal Income Tax withholding, you may be liable for payment of State Income Tax on the taxable portion of your 403(b)(7) distribution. For specific information regarding your responsibility, you should contact the state in which you reside. If you are a non-resident alien, you may instruct us not to withhold taxes from your distribution(s); however you may be subject to other taxes. In addition to this form, you must also send us a completed and signed IRS Form W-8, "Certificate of Foreign Status". To obtain a copy of this form, call the IRS at 1-800-829-1040 or visit the IRS Web site at [irs.gov](http://irs.gov).

Non-mandatory distribution(s) you take from your 403(b)(7) custodial account may be subject to 20% Federal Income Tax withholding. If the distribution is an Eligible Rollover Distribution (ERD) and you do not intend to rollover the proceeds, we will withhold 20% in accordance with IRS regulations. If the distribution is not part of an ERD, you may elect not to have Federal withholding apply to your distribution according to the voluntary Federal Income Tax withholding rules. If you do not have enough Federal Income Tax withheld from your distribution, you may be responsible for payment of estimated income tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. To help determine how much you should withhold, please refer to IRS Publication 505 and Form W-4P. Principal Funds recommends you seek the advice of your legal or tax advisor if you have any questions regarding the tax consequences of a distribution.

The option you choose below will remain in effect unless you notify us, in writing, that you want to make a change. Please note that you can change your withholding instructions at any time.

This is an Eligible Rollover Distribution (ERD) subject to the 20% mandatory withholding:

- Yes, take the 20% withholding from this distribution as required.
- No, do not take the 20% withholding from this distribution, as the proceeds are to be directly rolled over to another eligible retirement account.

### Federal Tax Withholding

This distribution is a periodic distribution or one of the conditions of the 402(f) notice (see Section 8) applies and is subject to the voluntary Federal Income Tax withholding rules:

- I elect **NOT** to have federal income tax withheld.
- Please withhold federal income tax at the following percentage: \_\_\_\_\_ % (whole percentages greater than 10% 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 instructions for specific information concerning your state.

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

### State Tax Withholding

If federal income tax withholding is applied to your distribution, your state may also require state income taxes to be withheld. 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 will 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 to 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 not available even if your state has state income taxes.

##### Voluntary State Withholding

If you elect federal tax 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 to 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.

## 8. Eligible rollover distributions acknowledgment and signature(s)

Read this section to make sure you understand your responsibilities regarding distributions from your 403(b)(7) custodial account. Please sign and date below to show that you have given Principal Funds all the correct information and that you understand distributions will be made according to the instructions you have given us. NOTE: Amounts distributed from 403(b)(7) accounts for the purpose of satisfying the Participant's RMD are NOT eligible for rollover.

### INSTRUCTIONS FOR DIRECT ROLLOVER OF ELIGIBLE ROLLOVER DISTRIBUTIONS: NOTICE 402(f)

If your distribution is eligible for a rollover, there are two ways you may be able to receive a 403(b)(7) custodial account distribution that is eligible for rollover: (1) certain payments can be made directly to a Traditional IRA or, if you choose, another eligible retirement account or annuity that will accept it (direct rollover), or (2) the payment can be paid to you. If you choose to have your 403(b)(7) distribution paid to you, you will receive only 80% of the distribution, because the Custodian is required to withhold 20% of the distribution and send it to the IRS as income tax withholding to be credited against your taxes. **You cannot waive that withholding.** Eligible rollover distributions are all distributions from the 403(b)(7) custodial account except the following:

- required minimum distributions;
- distributions that are part of a series of equal (or almost equal) periodic payments that will last for your lifetime (or joint lives of you and your beneficiary) or for a specified period of 10 years or more;
- distributions to non-spouse beneficiaries of deceased participants;
- distributions of after-tax employee contributions; and
- distributions of elective deferrals due to hardship.

The Custodian has provided you a custodial agreement which describes your options in greater detail. If you want the Custodian to make a direct rollover of your 403(b)(7) payout to another 403(b)(7) account or annuity, or other qualifying retirement account, you must provide certain information about that 403(b)(7) account or annuity or other qualifying retirement account. The Custodian may ask you to complete and attach a Direct Rollover Request or similar form. NOTE: Your 403(b)(7) distribution **cannot** be rolled over to a Roth IRA, a SIMPLE IRA, or an Education Savings Account.

I acknowledge that I have read and understood this 403(b)(7) Distribution Form and the instructions for completing it. I certify under penalty of perjury that the Social Security Number I have provided on this form is correct. I authorize Principal Funds to follow my instructions as indicated on this form. I further acknowledge that I am advised by Principal Shareholder Services, Inc., the Custodian and their Agents to consult with my legal or tax advisor regarding the possible tax consequences of distributions from my 403(b)(7) custodial account.

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

(MM/DD/YYYY)

#### Medallion Signature Guarantee:

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

(MM/DD/YYYY)

#### 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)

#### Medallion Signature Guarantee:

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

(MM/DD/YYYY)

#### Medallion Signature Guarantee:

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

- full or partial distribution within 15 days of an address change
- all distributions totaling more than \$100,000
- all distributions to be mailed to an address other than the address of record
- all distributions made payable to an individual/entity other than the Principal Account Owner
- full, partial, and systematic distributions to a bank account NOT ON FILE, NO voided check 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)
- divorce distributions

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.