

Required Minimum Distribution Questions and Answers

What is a Required Minimum Distribution (RMD)?

A RMD is a distribution from an Individual Retirement Arrangement (IRA) required by the Internal Revenue Code (IRC). If you have a Traditional, SEP or SIMPLE IRA, you must start receiving distributions by April 1st of the year following the year in which you reach age 72¹. You must take a distribution by December 31st every year thereafter.

If you wait until the year following the year in which you reach age 72 to take your first RMD, then you will need to take an RMD payment for the year in which you turn 72 and the current year. If you do not take an RMD, or if the RMD received is not large enough, the IRS may impose a 50% penalty based on the RMD you should have taken.

If you are the beneficiary of any type of IRA, please see your tax advisor for RMD rules that apply to IRA beneficiaries.

¹If you were born prior to July 1, 1949, you were required to start receiving distributions by April 1st of the year following the year in which you reached age 70 ½.

How is the amount of my RMD determined?

Your RMD amount is determined by dividing the entire interest in your annuity contract by a distribution period obtained from life expectancy tables based on your age and, if applicable, the age and relationship of your beneficiary. The entire interest under the annuity contract is the prior December 31st year end value credited under the contract plus the actuarial present value of any additional benefits provided within the annuity contract. Allianz Life Insurance Company of North America (Allianz) will calculate the RMD amount from the annuity contract for you, but you may need to adjust the RMD in certain circumstances, such as if the annuity contract received a rollover shortly after the end of the prior year.

How do I request a RMD payment?

If you want to receive your RMD payment, you must complete the Required Minimum Distribution (Election) form. If we do not receive a form from you, we will assume you are taking all applicable RMDs from IRAs at other companies.

If I added money to my IRA contract in the current year, will the additional amount be used in calculating my RMD for the current year?

If your Allianz IRA contract was established in a prior year, Allianz has calculated the RMD for the current year based on the entire interest value, as shown in the fair market value box of your IRS Form 5498, as of December 31st of the previous year, which does not include any amounts added in the current year.

If you took a distribution from an IRA at another company and rolled over the money into your Allianz IRA, the RMD required may be greater than the RMD calculated by Allianz. You will need to notify Allianz in writing to recalculate the RMD. If you do not provide us with the previous provider's year end value or statement, we will use the additional premium Allianz received as the December 31st year end value to recalculate the RMD. Allianz has no responsibility or liability for any IRS penalties or any other tax consequences resulting from an inaccurate RMD calculation for the current year due to money received in the current year. Please consult your tax advisor if you have any questions.

If your Allianz IRA contract was established in the current year and you do not provide us with the previous provider's year end value or statement, Allianz will use the total initial purchase payment or initial premium Allianz received as the December 31st year end value to calculate the RMD. If you do not want a distribution (e.g., if your RMD was satisfied prior to establishing your IRA contract), then you do not need to complete an RMD form.

What else do I need to know about calculating my RMD when I've added money to my IRA contract in the current year?

The rules governing RMD calculations from IRAs can be complex. Our calculations are intended to assist you with receiving the correct RMD from your IRA, but when money is added to an IRA during the current year, our calculations may not be accurate. Allianz has no responsibility or liability for any IRS penalties or any other tax consequences resulting if you do not correctly complete the RMD form, or if you added money to your Allianz IRA during the current year.

What if I need more from my annuity contract than the RMD Allianz calculated?

The Required Minimum Distribution form should be used to request the calculated RMD. If you need more than the RMD calculated, you can separately request an additional amount by completing the applicable withdrawal request form. The amount requested in excess of the calculated RMD may be subject to withdrawal/surrender charges.

What happens if I have received other distributions from this contract in this calendar year?

If you have already received some type of distribution from your contract this year, those distributions will be deducted from your calculated RMD. If the previous distribution received was equal to or greater than the RMD, no further distributions are required.

How will my RMD reduce my Investment Options/Allocation Options or specific account?

Your RMD will be taken proportionally from each Investment Option/Allocation Option.

FOR VARIABLE ANNUITIES ONLY: If you have an annuity contract that allows you to withdraw money from a specific account, please indicate this in writing either on the Required Minimum Distribution form or a letter of instruction.

If I am receiving lifetime withdrawals, lifetime payments, or systematic withdrawals, can I receive regularly scheduled payments for my RMD?

Regularly scheduled payments for your RMD may be available.

FOR FIXED ANNUITIES ONLY: If you are receiving lifetime withdrawals or systematic withdrawals and need additional money to satisfy your RMD, submit a Required Minimum Distribution Election form. Once the RMD has been requested, regularly scheduled RMDs will be set up annually with the payment sent by December 31st each year.

FOR VARIABLE ANNUITIES ONLY: If you are receiving lifetime payments, then you may enroll in regularly scheduled payments for RMD. If you are enrolled in any other type of payment program (e.g., systematic withdrawal, Guaranteed Partial Withdrawal Benefit), then regularly scheduled payments for RMD is not available. If the annual amount of your current payment program does not satisfy your RMD, you will need to submit a Withdrawal Request form for a partial withdrawal for the remaining amount.

If I have more than one IRA with Allianz, how will you make my distribution?

The RMD is calculated for each contract separately, so you must complete the appropriate RMD form for each contract from which you would like to receive a RMD.

What if I have IRAs or other employer plans at other companies that must also receive a RMD?

Allianz will only send a RMD for IRA contracts you have with us. Any distribution you take above the calculated RMD for a specific contract may incur withdrawal/surrender charges.

When will I receive my RMD?

FOR FIXED ANNUITIES ONLY: Your RMD will be processed and sent within 10 business days of receipt of request unless you have chosen to begin distributions in November or on your contract anniversary. Annual distributions will continue each year until we receive written instructions to change or discontinue the election.

FOR VARIABLE ANNUITIES ONLY: Distributions will be processed on the 9th of the month, or previous business day, if the 9th of the month is not a business day. The Required Minimum Distribution form must be received in good order no later than 4:00 p.m. Eastern time on the Business Day prior to the processing date to begin distributions in the same month.

Please consult your tax advisor for additional information regarding Required Minimum Distributions. As an insurance company Allianz, its affiliated companies, and their representatives and employees do not provide legal or tax advice. We encourage you to consult your tax and/or legal advisor with any tax or legal related questions.

Required Minimum Distribution Election Form

Annuity Contract number _____

This form is provided for you to request the Required Minimum Distribution (RMD) on your contract.

Note: In addition to electing an RMD on this form, your contract may offer several other options which may also satisfy all or part of your RMD. Please refer to your contract for available options, which may include annuitization. To see if any of the other options available will satisfy your RMD, please contact your agent or our Contact Center 800.950.1962.

Section A: Supply information about the contract owner

Contract owner's printed full name:

Tax ID / SS#:

Daytime phone number:

_____ (____) _____

Section B: Required Minimum Distribution Calculation

By completing this form you are requesting your calculated RMD for this contract only.

Please refer to the Required Minimum Distribution Questions and Answers enclosed with this form on how the RMD will be calculated on this contract. The below information may impact the calculated RMD amount.

Information to determine which RMD table to use

If your spouse is your sole primary beneficiary and is more than 10 years younger than you, then your RMD amount is calculated based on a Joint and Life Survivor Expectancy Table. If your circumstances change and the Joint and Last Survivor Expectancy Table is no longer appropriate, please complete a new RMD Election Form.

Spouse's Date of Birth ____ / ____ / ____

If you do not provide your spouse's date of birth: Your RMD amount will be calculated based on the Uniform Lifetime Table, which could result in distributions that are higher than your actual RMD.

Adjustments to your RMD calculation

If your annuity contract was established in a prior year, Allianz Life Insurance Company of North America (Allianz) has calculated and will pay your RMD using only the entire interest value of your annuity contract as of December 31st of the previous year. This amount may not be accurate if you added premium to your contract during the current year. If your annuity contract was established in the current year, Allianz has calculated your RMD using only the total initial premium Allianz received.

If you do not need to receive a different amount than the RMD Allianz calculated, please proceed to Section C.

If you need to receive a different amount than the RMD Allianz calculated, please indicate one option listed below. The amount indicated will be added to this contract's prior year December 31st value to recalculate the RMD.

- Include total premium added to this contract within the current calendar year
- Include the previous provider's prior year December 31st value listed below (only allowed if funds were held in previous provider's contract as of December 31st)

\$ _____

- I have provided the previous provider's statement showing the prior year December 31st value for RMD calculation purposes.

Section C: Required Minimum Distribution Option and Frequency

Select the option(s) that is being requested for this contract only. Once payments are set up they will continue as elected until we receive written notification to discontinue payments.

- Current year – *Complete the Frequency section below. If you are currently receiving another type of scheduled payout, then no frequency needs to be selected below and the remaining RMD payment will automatically be set up for annually with the payment sent by December 31st.*

(If a selection is not made, the frequency of the payment will be annually in November.)

Monthly

Quarterly

Semi-Annually

Annually (choose one below):

Immediately

November

Contract Anniversary (if the contract anniversary in the current calendar year has already passed, the current year RMD will be paid immediately and future RMDs will be sent on your anniversary each year)

- Deferred First Year RMD (*annual payment will be sent immediately*) – **Applies ONLY** if you obtained age 72 in the prior calendar year and delayed your **FIRST** RMD until the current calendar year. Funds must be taken before April 1st. By electing this option, you will need to receive two RMD payments in the current calendar year. These funds will be taxed in the year the funds are distributed.

Current year option must also be completed; otherwise payments will be set up annually in November

- Missed RMD from immediately previous calendar year (*annual payment will be sent immediately*) – **Applies ONLY** if this contract was active with Allianz. The missed year RMD amount will be determined based on the calculations indicated on the Required Minimum Distribution Question and Answers enclosed and will be paid in one lump sum payment. These funds will be taxed in the year the funds are distributed. Please contact Allianz for appropriate steps to take if you are required to take penalized RMDs from more than one year past.

Current year option must also be completed; otherwise payments will be set up annually in November

Section D: Tax Section - Complete for all disbursement requests

All, or part, of the payment you receive in connection with a distribution from the annuity contract, including the values used to cancel any outstanding loan indebtedness at the time of distribution, may be includable in your gross income for tax purposes.

The taxable portion of the distribution is subject to federal (and potentially state) withholding unless you elect not to have withholding apply. You may elect not to have withholding apply to your distribution by marking the appropriate box below. **If an election is not made, federal income tax will be withheld from the taxable portion at the rate of 10%.** Once the funds are distributed to you, Allianz will **not** reverse federal or state withholding.

If you elect not to have withholding apply or if you do not have enough federal income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

- I have read the above information and **I DO NOT** want to have federal income tax withheld from my payment.
- I have read the above information and **I DO** want to have federal income tax withheld at the rate of _____% (10% is the minimum allowed if withholding is elected). I realize I will be subject to state income tax withholding if I elect federal withholding and reside in a state where state tax withholding is mandatory.

For State Withholding options, you should consult your State’s applicable website, you can review the State Withholding Guide available at www.allianzlife.com or contact your tax professional.

Please note that, effective January 1, 2015, if you make a tax-free IRA to IRA rollover, you cannot, within a one-year period, make another tax-free rollover of a distribution from any of your IRAs to another IRA. Please consult your tax advisor for any questions.

Section E: Certification of Taxpayer Identification Number

If you are requesting payments as a U.S. Person, the IRS requires you to agree to the following statements. If you are not a U.S. Person, please complete Form W8-BEN.

Under penalties of perjury, I certify that:

- 1. The Taxpayer Identification Number shown on this form is correct or I am waiting for a number to be issued to me.

If the IRS has notified you that you are currently subject to backup withholding because you failed to report interest and dividends on your tax return, you must cross out item 2 below.

- 2. 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 failure to report all interest or dividends, or
 - c. The IRS has notified me that I am no longer subject to backup withholding.
- 3. I am a U.S. person, and
- 4. The Foreign Account Tax Compliance Act (FATCA) code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Annuity Contract number _____

Section F: Payment method (choose one) (Withdrawals can only be made payable and sent to the contract owner or financial institution for benefit of the contract owner.)

(If a selection is not made, payments will be sent to the address of record.)

Automatic Clearing House (ACH) (Bank must be a member of ACH. Bank account owner must be the same as contract owner.)

Please note: If voided check or deposit slip is not sent or already on file with Allianz, a check will be sent to your address of record in place of the ACH transfer.

- Checking, I have enclosed a **VOIDED CHECK**.
- Savings, I have enclosed a **DEPOSIT SLIP**.
- Send disbursement payable to financial institution. (The disbursement will be taxable to you and will be payable to the financial institution. The disbursement will be sent to the owner's address of record unless a letter of acceptance is received from the financial institution.)

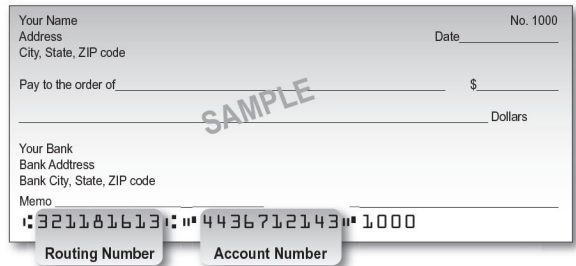
Account number _____

Name of financial institution _____

Financial institution's telephone (_____) _____

Send disbursement to owner at address on record.

Attach a voided check for a checking account, or a deposit slip for savings account.



Section G: Signatures (Signature section must be completed. All owner's signatures are required.)

A person who knowingly and with intent to injure, defraud, or deceive any insurance company, files a form containing false, incomplete, or misleading information is committing a crime, and may be subject to civil and criminal penalties. I authorize Allianz to process the requested distribution. I am aware that this transaction is **NOT** reversible. Once the distribution is processed, the taxable event and any federal or state withholding that occurred cannot be reversed. I am aware that surrender charges may apply and understand the tax consequences of such distribution.

This form must be received within 30 days of signing.

Contract owner's signature _____ Signed date _____

(ADDITIONAL SIGNATURES REQUIRED, IF APPLICABLE)

¹**Power-of-Attorney:** _____ **By:** _____
Contract owner's name Attorney-in-fact signature Signed date

¹ Submit legal documents such as power-of-attorney paperwork.

Submit page 1-4 of this form. Options:

Fax to number 763.582.6004. Mail to address: PO Box 59060, Minneapolis MN 55459-0060