Merrill Lynch Beneficiary Required Minimum Distribution Service

If you have established an inherited Individual Retirement Account (IRA) as a first generation IRA beneficiary, you have the opportunity to continue the tax-deferred growth potential of the account's remaining assets and the ability to distribute the assets over your life expectancy or the remaining life expectancy of the original IRA owner. In doing so, you will be required to take Required Minimum Distributions and may want to consider Merrill Lynch's Beneficiary Required Minimum Distribution Service.

What is the Merrill Lynch required minimum distribution service?

This convenient service allows you to authorize Merrill Lynch to automatically calculate and distribute your annual Required Minimum Distribution (RMD) from your inherited IRA to a Bank of America banking or Merrill Lynch investment account or an account at another financial institution.

- An RMD is the minimum amount you must begin taking each year from your inherited IRA beginning December 31 of the year after the year of the original owner's death.

Merrill Lynch has created this service to make it easier for you to have your RMD paid to you each year.

Who can participate?

- The service is available to first generation IRA beneficiaries who have elected to take RMDs and have established one of the following types of inherited IRAs at Merrill Lynch: Traditional IRA, Individual Retirement Rollover Account® (IRRA®), Roth IRA, Simplified Employee Pension (SEP) IRA or Savings Incentive Match Plan for Employees (SIMPLE) IRA.
- This service is not available for 1) IRA beneficiaries who have purchased annuities within their inherited IRA, 2) successor (second generation) beneficiaries, 3) beneficiaries who are not individuals (e.g., estates, charities and most trusts), or 4) IRAs that include unpriced assets held on the Merrill Lynch system.
- Clients who do not have a prior year-end value for their IRA cannot enroll for that year.

Your financial advisor can work with your attorney and tax advisor to determine if you are eligible for the service.

What are the benefits of the RMD service?

- It simplifies the distribution process by automatically calculating and distributing your RMD each year.
- By automatically calculating your distribution, the service helps ensure that your RMD is taken each year, helping you avoid potential additional taxes.
- The service also helps ensure that you do not over or under distribute in a given year.

How does the service work?

- Upon enrollment, and every January after that, Merrill Lynch will provide you with an annual RMD calculation.
- The service will automatically send your RMD to you by check, electronically distribute it into your Cash Management Account® (CMA® account) or Bank of America checking or savings account, or distribute it to an account at another financial institution over a payment frequency you select for the calendar year.
- You can authorize Merrill Lynch to automatically liquidate specified mutual funds prior to your periodic distribution provided all necessary information is on file.
- If you take a one-time distribution outside of this service, you will have the option to subtract the distribution amount from the Service's remaining calculated RMD amount.

Merrill Lynch
Bank of America Corporation

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Investment products:

Are Not FDIC Insured	Are Not Bank Guaranteed	May Lose Value

What happens if a scheduled distribution does not occur?

It is your responsibility to ensure liquid funds (cash and/or money accounts) are available for your scheduled distribution. If a scheduled distribution does not occur, you may not meet your RMD obligation and may be subject to an additional tax of 50% of the difference between the RMD amount you should have taken and the amount actually taken.

- You may elect the auto liquidation service to help ensure that funds are available. If you elect to fund your distribution via automatic liquidation, it is your responsibility to ensure that the selected funds are available at the time of redemption.
- Merrill Lynch will adjust future payments to make up for a missed distribution. If a scheduled distribution does not occur, Merrill Lynch will divide the remaining RMD amount by the remaining total number of payments scheduled, based on your selected payment frequency, to satisfy your RMD for that year.
- If sufficient liquid funds are unavailable in your account on a scheduled distribution date, Merrill Lynch will continue to monitor that account for available cash and/or money accounts for 15 days.
- If funds become available during the 15-day period, Merrill Lynch will attempt to make the scheduled distribution. If sufficient funds are still unavailable after 15 days, we will be unable to process your distribution request. You may have to take other action to meet your RMD obligation for that year.

For scheduled distributions in December, Merrill Lynch will stop monitoring your account for available funds on the last business day of the tax year (typically December 31), even if the 15 days have not passed. If funds are still unavailable on December 31, we will be unable to process the distribution request. If there is a possibility that your account may have insufficient funds from which to make RMDs, contact your financial advisor in sufficient time to liquidate your investments to raise the needed funds.

What happens if you enroll for the current year?

- Generally, the amount of each scheduled distribution is calculated by dividing the annual RMD by the total number of payments scheduled for that year. However, if you enroll in the service with a current-year start date, Merrill Lynch will, if necessary, prorate your remaining scheduled payments, based on your selected payment frequency, to satisfy your RMD for that year.
- Distributions taken from your account before your enrollment in the service will not be automatically considered when prorating your scheduled distributions. For example, if you enroll in June, choose monthly distributions and your RMD is $12,000 for that year, Merrill Lynch will distribute $2,000 per month from July through December.
- Inform your financial advisor if, when prorating your scheduled distributions, you want to consider previous distributions taken from your account before enrollment in the Service.

What if you already have instructions on file?

For accounts with existing periodic distributions, please contact the office servicing your account before you enroll to discuss whether those instructions should be changed or canceled. Enrolling in the service will not automatically cancel any existing instructions.

Which factors are considered to determine your RMD calculation?

Determining your RMD and calculating it annually can be complex. Many of the following factors must be taken into account:

- Your relationship to the original IRA owner (spousal or non-spousal individual).
- Whether the original IRA owner dies before or after his or her required beginning date (RBD). The RBD is the date the original IRA owner was or would have been required to start taking his or her RMDs.
- The inherited IRA balance as of December 31 of the prior year.
- The designated beneficiary's birth date.
- Whether or not you were one of multiple beneficiaries.
- If you were one of multiple beneficiaries, whether or not separate inherited IRAs were established by all of the beneficiaries before December 31 of the year following the year of the original IRA owner's death.

How do you enroll?

1. Complete the Merrill Lynch Beneficiary Required Minimum Distribution Service Enrollment and Authorization Form (on pages 3-6). Your financial advisor can help you complete this form.
2. Return the completed form, along with any additional documentation, if required, to your financial advisor.

You will receive a written confirmation of your enrollment when completed.

Enrollment in the service is limited to one distribution instruction per account. Your financial advisor can assist you if you require funds in excess of your RMD.

Merrill Lynch Beneficiary Required Minimum Distribution Service Enrollment and Authorization Form

Part 1: Account Owner

Please provide all information as requested.

Your name (please print)

Merrill Lynch retirement account number

Date of birth (month/day/year)

Phone number

Instruction type (please select one of the following): ☐ New ☐ Change ☐ Cancel

If you have taken a distribution, or distributions, from this account within this calendar year and want the distribution(s) considered when calculating your RMD for this calendar year, please check one of the options below.

☐ Consider the total value of the distribution(s) taken this calendar year.

☐ Only consider the following portion of the distribution(s) taken this calendar year: $_____

Part 2: Distribution Method

Please check one of the boxes below to indicate where you would like your distribution sent.

If you choose to distribute your RMD to an outside financial institution, please make sure the voided check is preprinted with your name and address, as well as your financial institution's address. If you don't have a preprinted check, or if the account you want to access is not a checking account, you must provide a letter from your financial institution on its letterhead. The letter must be signed by an officer of the institution and must include: 1) your account title, 2) type of account (checking, savings, other), 3) account number, 4) institution's ABA routing/transit number, and 5) your taxpayer identification number.

☐ **Distribute to a Merrill Lynch non-retirement account**

Account number

☐ **Distribute to a Bank of America account (Automated Clearing House)**

Account number

ABA routing number (voided check not required)

☐ **Mail check to the account address on file**

☐ **Mail check to the address listed here:**

Memo*

*This information will not be displayed on the envelope window.

☐ **Distribute to an outside financial institution (Automated Clearing House)**

Name of institution

Account number

ABA routing number

Outside account to be credited (please select one)

☐ Checking (Enclose a pre-printed, voided check for the account)

☐ Savings (Enclose a letter of authorization from your financial institution)

☐ Other (Enclose a pre-printed, voided check for the account or a letter of authorization from your financial institution)

Part 3: Distribution Schedule

Indicate the start date and frequency of your distributions.

Distribution start date: _____ /_____ /_____
(month) (day) (year)

(Please note that if you have elected to have your distributions sent to an outside financial institution, your start date must be at least 10 days after your enrollment date.)

Distribution frequency (please select one of the following): ☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually

You can choose the payment frequency—monthly, quarterly, semiannually or annually—that your RMD is distributed and which day of the month the distribution occurs. If this day falls on a weekend or holiday, distributions will be made on the prior business day. You may select only one day per month per account to take your distribution*

*To accurately calculate your RMD for the current tax year, your January payment may not be distributed until on or around January 20th.

Part 4: Automatic Liquidation (Optional)

Complete this section if you would like to fund your scheduled distribution by liquidating mutual funds in your account. To authorize Merrill Lynch to automatically liquidate your eligible mutual funds, please complete the specified fields below (if additional space is needed, please attach a separate letter):

Mutual Funds/Cash	**Security Symbol**	**Percentage Amount** *(Whole numbers only)*
		%
		%
		%
		%
		TOTAL 100%

Note:

- Liquidation will only occur from the funds you have authorized. If a selected fund does not have sufficient value to cover the allocated percentage, the order will be restricted to 95% of the market value of the fund to minimize the risk of an order execution in excess of the available amount under volatile market conditions. The remaining unfulfilled amount will be liquidated proportionately from the other specified funds. If the amount is still unavailable, the system will use available cash/cash equivalents to fulfill the distribution.
- Contingent deferred sales charges (CDSC), redemption fees and/or transaction fees may apply and result in insufficient funds to process the requested distribution.
- Clients currently enrolled in Managed Products are not eligible for automatic liquidation.

Part 5: Prior Year-End Value

Complete this section only if the original account owner died before January 1 of the current year AND:

1) You transferred your inherited account to Merrill Lynch after January 1 of the current year,

OR

2) Your Merrill Lynch inherited account was opened after January 1 of the current year.

Prior year-end value: $ _____

Part 6: Beneficiary RMD Information

Indicate your relationship to the original account owner and answer the applicable questions.

Relationship to the original IRA account owner:

☐ Spouse ☐ Non-spouse individual

This service is not available for 1) IRA beneficiaries who have purchased annuities within their inherited IRA, 2) Successor beneficiaries, or 3) beneficiaries who are not individuals (e.g., estates, charities and most trusts), or 4) IRAs that include unpriced assets held on the Merrill Lynch System.

1) Were you the sole primary beneficiary of the original owner's IRA account?

☐ Yes (Proceed to Part 7, the Withholding Election)

☐ No (Proceed to question 2)

2) Were separate accounts established for all beneficiaries of the original IRA owner's account by December 31 of the year following the original account owner's death?

☐ Yes (Proceed to Part 7, the Withholding Election)

☐ No (Proceed to question 3)

3) Were any of the other primary beneficiaries of the original IRA owner's account an entity (estate, non-look-through trust, charity) or other nonindividual?

☐ Yes* (Ineligible for service)

☐ No (Proceed to question 4)

4) Was one or more of the primary beneficiaries a look-through trust?

☐ Yes (Proceed to question 5)

☐ No (Proceed to question 6)

5) Was an entity (estate, trust, charity) one of the beneficiaries of the look-through trust?

☐ Yes* (Ineligible for service)

☐ No (Proceed to question 6)

6) What is the birth date of the original IRA owner's oldest primary beneficiary?

_____ /_____ /_____
(month) (day) (year)

* Your account is not eligible for the service. Please consult your Financial Advisor.

Part 7: Withholding Election

It's important that you read the Withholding Notice on page 7 before completing this section. After reading the Notice, you MUST indicate your withholding elections below.

If you are providing a U.S. address, please indicate your withholding election below.

Federal Withholding

Please note that if you do not make a withholding election, federal income tax will be automatically withheld from your distribution at a rate of 10%.

☐ Do not withhold federal income tax from my distribution.

☐ Withhold federal income tax from my distribution (check one):

☐ At a rate of 10% ☐ At a rate of _____% (must be greater than 10%)

☐ At $_____ (dollar amount must be greater than 10% of the total distribution value)

Part 7: Withholding Election (continued)

State Withholding

Please note that State withholding may also be required in certain states. To determine your state's withholding requirements refer to the supplemental State Tax Withholding Rate Document.

The minimum required for the state of _____ is _____.

☐ Do not withhold state income tax from my distribution.

☐ Withhold state income tax for the state of _____ from my distribution at the rate of _____%, or amount of $_____.

Local Withholding

Please note that local withholding may be applicable for the states of Indiana and New York.

If you are providing a foreign address, please indicate your withholding election below.

Please note that if you are a U.S. citizen with a foreign address, you may not waive the Federal withholding requirement. If you are a Non-Resident Alien, all distributions are subject to a tax treaty rate or 30% tax withholding and you must complete Form W-8BEN.

☐ I am a U.S. Citizen living abroad (check one):

Withhold: ☐ At a rate of 10% ☐ At a rate of _____% (must be greater than 10%)

☐ At $_____ (dollar amount must be greater than 10% of the total distribution value)

☐ I am a Non-Resident Alien (check one):

Withhold: ☐ 30% ☐ Tax Treaty rate of _____% Country _____

Part 8: Signature

I hereby authorize Merrill Lynch to effect distributions from the Merrill Lynch IRA, IRRA®, ROTH IRA, SEP IRA or SIMPLE IRA designated on this form in the payment frequency indicated and in an amount which satisfies my annual RMD amount, as calculated by the Merrill Lynch Beneficiary Required Minimum Distribution Service for said account.

I hereby authorize Merrill Lynch to make my scheduled distributions for the account described in Part 1 of this form, with income tax withholding as elected, and to distribute the amount indicated after income tax withholding, if any.

I understand that Merrill Lynch will not process a scheduled distribution if the dollar amount of the distribution is not available in one or a combination of the following accounts: cash credit balance, money market mutual fund shares or Retirement Asset Savings Program account balance. I agree that it is my responsibility to ensure that timely instructions are given to Merrill Lynch so that such amounts are available to be distributed as scheduled. I agree that if such amounts are not made available by me to meet a scheduled distribution, it is my responsibility to take any necessary steps, including additional distributions to ensure I satisfy my RMD obligation for the account described in Part 1 of this form for the year. If electing Automated Clearing House (ACH) distributions, I authorize the financial institution holding the bank account to accept ACH transfers to my account without responsibility for the correctness thereof. I agree that Merrill Lynch will not be liable for any loss, liability, cost or expense for acting or failing to act upon my authorization, except to the extent required by applicable law. I authorize Merrill Lynch to initiate debit or credit transfers to correct erroneous transfers to the extent permitted by law.

I understand that if the distribution is made payable to a third party payee, I will be responsible for any taxes that are due as a result of these requested or recurring distributions.

I have reviewed this form in its entirety, and hereby certify that all information as it appears is correct and may be relied upon by the custodian.

_____

Signature

_____

Date

Withholding Notice

Federal income taxes are required to be withheld (subtracted) from your distribution at a flat rate of 10% unless you tell us that you do not want any taxes withheld. Keep in mind you may owe more or less when you file your income taxes. State income taxes will be withheld according to the specific requirements of the state in which you reside. You must use this form to instruct us whether you want income taxes withheld from distributions you will receive from your retirement account. Certain states require that you complete their state form to opt-out of state taxes when your distribution is subject to federal income taxes. To determine your state's requirements, please request a copy of the supplemental State Tax Withholding Rate document from your advisor. Even if you elect to not have federal and state taxes withheld from your distribution, you are liable for payment of federal and state income taxes on the taxable portion of your distribution.

How to choose not to have taxes withheld

If you do not want any federal taxes withheld from your distributions, check the appropriate box in part 7 (Withholding Election). Your selection will also serve as an election not to have state taxes withheld from your distributions. If you do want state taxes withheld, check the appropriate box and indicate the applicable state withholding rates. If you do not make an election, we will assume you choose to have federal and, if applicable, state income taxes withheld from all distributions.

Changing your choice

You can change your withholding election at any time or as often as you wish by completing the appropriate federal and state tax withholding sections.

Estimated Taxes

Under federal tax regulations, if you choose not to have federal income taxes withheld, or if the amount withheld from your distribution is not sufficient, you may be responsible for paying estimated taxes each quarter. When your actual taxes for a year are determined, you could incur additional taxes if your estimated federal income tax payments were not sufficient. You may incur similar additional taxes under state law.

Getting started

To learn more about Merrill Lynch's Beneficiary Required Minimum Distribution Service or to enroll, talk to your Merrill Lynch financial advisor.

Neither Merrill Lynch nor any of its affiliates or financial advisors provide legal, tax or accounting advice. You should consult your legal and/or tax advisors before making any financial decisions.

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