National Life Group®

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☐ **Life Insurance Company of the Southwest™**

Annuity Withdrawal Request - 457 Deferred Compensation Plan Annuities

Your Plan Administrator's signature is required on this form prior to sending to LSW.

A. Plan/Trust Information

Plan/Trust Name: ____________________

Policy/Certificate Number: ____________________

Plan/Trust Tax I.D. Number: ____________________

Annuitant/Participant's Name: ____________________

Mailing Address: *(Street, City, State & Zip Code)* ____________________

Annuitant/Participant's Social Security / Tax I.D. Number: ____________________

Annuitant/Participant's Mailing Address: *(Street, City, State & Zip Code)* ____________________

☐ New address?

Telephone No.:

B. I request a:

☐ Partial Withdrawal of $ __________ *(This is the "Gross" amount. Applicable taxes and withdrawal charges will be withheld.)*
☐ Maximum Partial Withdrawal *(Minimum balance will be retained and surrender charges may be applicable.)*
☐ Maximum Free Withdrawal
☐ Full Surrender *(If applicable, please contact your payroll department to discontinue contributions.)*

For the SecurePlus Saver Series only:
☐ Partial Withdrawal of Immediate Interest Credit of $ __________
☐ Full Withdrawal of Immediate Interest
☐ One Time additional withdrawal of 10% Free available after the first Policy Year.

C. Withdrawal Instructions

Please pay such withdrawal/surrender value as indicated:
☐ Directly to Plan.
☐ Direct Deposit to the Paticipant's Bank. (Direct Deposit form must be completed by Participant)
☐ Directly to Participant.
☐ Trustee-to-Trustee Transfer *(named below)*. A Letter of Acceptance is required for a transfer. Please contact the new institution.
☐ Qualified Direct Rollover *(named below)*. A Letter of Acceptance is required for a rollover. Please contact the new institution.
☐ To a Financial Institution *(named below)*. ***Note: Direct Deposit not available.***

Financial Institution Name: ____________________ Account Number: *(if applicable)* __________

Address: *(Street, City, State, Zip Code)* ____________________

For Multi-Account Annuities:
You may designate the type of Interest Account from which to deduct a **partial withdrawal.** If you make no such election, the Partial Withdrawal will be deducted from all Interest Accounts in proportion to their value.
• Any amount in the Premium Account will be deducted first. • This information is outlined in your Policy.

☐ I request my partial withdrawal to be processed in the following manner:

Multi-Account Annuities:
Declared Interest Account (007) __________%
S & P 500®
Ending Index (003) __________%
Average Index (005) __________%

SecurePlus Saver Series: (Multi-Account/Multi-Index Annuities)
Declared Interest Account (007) __________%
S & P 500®
Ending Index Rate Option 1 (003) __________%
Ending Index Rate Option 2 (008) __________%
Average Index Account (005) __________%
Russell 2000®
Ending Index Rate Option 1 (009) __________%
Ending Index Rate Option 2 (010) __________%

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D. Conditions for Withdrawal

Please review the Annuity Withdrawal Information attached before completing the form.
Please check every applicable box to expedite handling of this request.

- ☐ Attainment of age 70½
- ☐ Severance from employment
- ☐ Plan Termination *(Requires letter from employer stating the entire plan has terminated)*
- ☐ Active-Duty Reservist as defined in the Pension Protection Act of 2006
- ☐ Unforeseeable Emergency as approved by plan sponsor. The need that causes the unforeseeable emergency cannot be relieved **(a)** through reimbursement or compensation by insurance; **(b)** by reasonable liquidation of assets; **(c)** by cessation of salary reduction or other elective contributions to this 457 or any other plan.

Unforeseeable Emergency Statement

I, the undersigned plan administrator, acknowledge verification of the following: **(1.)** The distribution is not greater than the amount needed; **(2.)** The participant has exhausted all other possibilities reasonably at their disposal to meet this unforeseeable emergency; **(3.)** The maximum amount that can be withdrawn as a result of the unforeseeable emergency is the actual amount needed to meet the emergency plus the amount needed to pay federal, state and local taxes on the distribution. For transfer amounts from another company, I, the Owner, confirm this withdrawal request meets the requirements outlined in this statement.

Some qualifying events may require proof of eligibility.

E. Withholding Instructions

Notice of withholding on distributions or withdrawals from your annuity: The distributions or withdrawals you receive from your annuity may be subject to federal income tax withholding. Withholding will only apply to the portion of your distribution or withdrawal that is includable as income on your tax return. Federal withholding of 20% of the distribution is required for 457 annuities unless your distribution is rolled over to another eligible qualified plan, is a trustee to trustee transfer, is a minimum required distribution or is an unforeseeable emergency. By signing this form, I hereby waive the 30-day notice requirement outlined in the attached Special Tax Notice. The plan will report any taxable portion to the Internal Revenue Service.

Withholding Instructions: Please check one or more of the following boxes, if applicable.

- ☐ I elect to have state income tax withheld.
- ☐ I do not want to have state income tax withheld unless state law so requires.

F. General Agreement

Certification: I hereby certify that I meet the IRS requirements for this distribution as set forth in Sec. 457(d)(1)(A). I understand and agree that LSW assumes no responsibility for the effect and sufficiency of the distribution. The undersigned contract owner(s) and/or undersigned assignee(s) agree to fully indemnify and reimburse the Company for any and all loss, expense or damage it may sustain from any claim resulting from the company having paid the contract(s) without securing surrender of the original contract(s) or any previously issued duplicate/certification.

By receipt of this distribution, if you invoke your *Right to Examine this Policy* as defined on the policy form, your return of premium will be net of this distribution.

W9: Under penalties of perjury, I hereby certify that: (1) the number shown on this application is my correct taxpayer identification number; (2) the IRS has never notified me that I am subject to backup withholding, or has notified me that I am no longer subject to such withholding or I am exempt from such withholding; and (3) I am a U.S. person (including a U.S. resident alien). *You must cross out item 2 if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.*

G. Signatures

Participant's Signature: ______________________ Date: *(mm/dd/yyyy)*

Plan Administrator's Signature & Title: ***(Required)*** ______________________ Date: *(mm/dd/yyyy)*

†**To expedite, please obtain a Notary Signature for the Plan Administrator.** ***(Signature guaranteed acceptable)***

Personally appeared before me, ______________________ , known to me to be the person described in and who executed the forgoing instrument, who acknowledges to me that he/she executed the same freely and voluntarily and for the uses and purposes therein mentioned.
Witness my hand and official seal.

Notary Signature: ______________________ Date: *(mm/dd/yyyy)*

My commission expires ______________________ , 20 __________.

†***Notarized signatures are optional.***

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Request for Direct Deposit

Use this form to request direct deposit of annuity payments and withdrawals from your annuity to your checking or savings account on your behalf. If payments will go to a checking account, please attach a blank check on which you write "void." If payments will go to a savings account, please attach a blank withdrawal slip that includes an encoded routing number.
Note: Deposit slips are not acceptable for deposits to checking or savings accounts.

It takes 3 business days from the payment date for the direct deposit to be processed by the banking institution.

Annuity Payments:

1. It takes approximately 30 days to open, change, or discontinue a direct-deposit agreement. Therefore, the initial payment, or payment following a change may be made with a physical check.
2. If at some point in the future you change your mind or want the payments to go to a different institution, simply complete another request and send it to us.

Policy No.: ______________________

Policyowner: ______________________

Name of Institution: ______________________

Routing No.: ______________________

Address: *(Street, City, State, Zip Code)* ______________________

____

☐ Checking account No.: ______________________

☐ Savings account No.: ______________________

PLACE PREPRINTED VOIDED CHECK
OR
PREPRINTED SAVINGS WITHDRAWAL SLIP HERE
(PLEASE DO NOT USE STAPLES)

I authorize Life Insurance Company of the Southwest/National Life Insurance Company to deposit annuity payments or withdrawals directly into the above account and to debit my account for any deposit they have made in error.

Sign below exactly as your signature appears on the records of the Institution named above.

Policy Owner's Signature: ______________________ Date: *(mm/dd/yyyy)*

Please print your name: ______________________

Joint Owner Signature: *(if applicable)* ______________________ Date: *(mm/dd/yyyy)*

For Home Office Use Only:

Processed by: Verified by:

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Special Tax Notice Regarding Plan Payments

This notice explains how you can continue to defer federal income tax on your retirement savings in your 457 Plan ("Plan") and contains important information you will need before you decide how to receive your Plan benefits.

This notice is provided to you all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan). The Plan is a governmental 457 plan.

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions. If this is the case, you may wish instead to roll your distribution over to a traditional IRA or to split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator who was named in the information included in your policy/certificate packet.

Summary

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

(1) certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"), or

(2) the payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year, and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
- Your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to rollover 100% of the payment to a traditional IRA or an eligible employer plan, *you must find other money to replace the 20% of the taxable portion that was withheld.* If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Your Right to Waive the 30-Day Notice Period.

Generally, neither a direct rollover nor a payment can be made from the Plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

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More Information

I. Payments That Can and Cannot Be Rolled Over
II. Direct Rollover
III. Payment Paid to You
IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries

I. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that payments from the Plan can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan administrator should be able to tell you whether your payment is an eligible rollover distribution.

The following types of payments *cannot* be rolled over:

Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

Unforeseeable Emergency Distributions. A distribution on account of an unforeseeable emergency cannot be rolled over.

Distributions of Excess Contributions. A distribution that is made because legal limits on certain contributions were exceeded cannot be rolled over.

Loans Treated as Distributions. The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Part III below. Ask the Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment.

*The Plan Administrator of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.

II. Direct Rollover

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than $200.

DIRECT ROLLOVER to a Traditional IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER to a Plan. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

DIRECT ROLLOVER of a Series of Payments. If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting from a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. See the sections below entitled "Additional 10% Tax May Apply to Certain Distributions."

III. Payment Paid to You

If your payment can be rolled over (see Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 day (see "Sixty-Day Rollover option" below) you must report the full $10,000 as a taxable payment from the Plan. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I, the mandatory withholding rules described do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, *you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment.* The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: Your payment that can be rolled over under Part I is $10,000, and you choose to have it paid to you. You will receive $8,000, and $2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000, you may roll over the entire $10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the $8,000 you received from the Plan, and you will have to find $2,000 from other sources (your savings, a loan, etc.). In this case, the entire $10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire $10,000, when you file your income tax return you may get a refund of part or all of the $2,000 withheld. If, on the other hand, you roll over only $8,000, the $2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld. (However, any refund is likely to be larger if you roll over the entire $10,000.)

Additional 10% Tax May Apply to Certain Distributions. Distributions from this Plan are generally not subject to the additional 10% tax that applies to pre-age-59½ distributions from other types of plans. However, any distribution from the Plan that is attributable to an amount you rolled over to the Plan (adjusted for investment returns) from another type of eligible employer plan or IRA amount is subject to the additional 10% tax if it is distributed to you before you reach age 59½ , unless an exception applies.

Exceptions to the additional 10% tax generally include (1) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or you and your beneficiary's lives or life expectancies), (2) payments that are paid from an eligible employer plan after you separate from service with your employer during or after the year you reach age 55, (3) payments that are paid because you retire due to disability, (4) payments that are paid directly to the government to satisfy a federal tax levy (5) payments that are paid to an alternate payee under a qualified domestic relations order, (6) payments that do not exceed the amount of your deductible medical expenses. These exceptions may be different for distributions from a traditional IRA. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax does not apply to distributions from the Plan or any other governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to the governmental 457 plan (adjusted for investment returns) from another type of eligible employer plan or IRA.

In addition, any amount rolled over from the Plan to another type of eligible employer plan or to a traditional IRA will be subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless an exception applies.

Repayment of Plan Loans. If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you. The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III, even if you are younger than age 59½.

How To Obtain Additional Information

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described herein are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.