



**FRANKLIN  
TEMPLETON**

# Coverdell Education Savings Account Distribution Request Form

## IMPORTANT INFORMATION:

- Use this form to request a distribution from a Coverdell Education Savings Account (Coverdell ESA).
- Visit [franklintempleton.com](http://franklintempleton.com) for additional resources and forms.

If completing by hand, please print clearly in **CAPITAL LETTERS** using blue or black ink.

If applicable, provide any Franklin Templeton **REFERENCE ID(S)** related to your request:

## 1 BENEFICIARY INFORMATION

First name M.I. Last name Last four digits of SSN/TIN

## RESPONSIBLE INDIVIDUAL (must be parent or legal guardian)

Name of Responsible Individual

Email address<sup>1</sup> Primary phone number Alternate phone number

## 2 TYPE OF DISTRIBUTION

Please read the *Coverdell ESA Distribution Guide* ("Distribution Guide") before completing the rest of this form.

Check only one box.

- ☐ **Qualified education expenses:** refer to Distribution Guide
- ☐ **Non-qualified expense:** account earnings that are withdrawn are subject to a 10% excise tax, as well as income tax
- ☐ **Distribution due to disability of the beneficiary:** refer to Section 6 for certification requirements
- ☐ **Distribution due to death of the beneficiary:** complete Section 7 and provide supporting documents

Please consult your tax advisor to determine the tax consequences, if any, of this distribution.

## 3 DISTRIBUTION AMOUNT AND INSTRUCTIONS<sup>2</sup>

☐ Check here to apply the same instructions to all accounts \$ OR % ☐ Bank (see Section 5) ☐ Other (see Section 4)

Fund-account number

				Send to:	Bank Account (see Section 5)	Other (see Section 4)
	\$	OR	%		<input type="checkbox"/>	<input type="checkbox"/>
	\$	OR	%		<input type="checkbox"/>	<input type="checkbox"/>
	\$	OR	%		<input type="checkbox"/>	<input type="checkbox"/>
	\$	OR	%		<input type="checkbox"/>	<input type="checkbox"/>

1. If you currently receive any electronic communications/documents from Franklin Templeton, future communications/documents will be sent to the email address provided on this form, replacing any prior email address on file.

2. Unless the annual maintenance fee has already been paid, I understand a maintenance fee will be assessed if I request a full distribution of the plan.

Fund-account number

- ☐ Deposit to Beneficiary's/Responsible Individual's personal Franklin Templeton account number.
- ☐ Send proceeds directly to the Responsible Individual's and/or the Beneficiary's bank by electronic funds transfer. Complete Section 5.
- ☐ Make a check payable to the Responsible Individual and mail to the address of record.
- ☐ Make a check payable to the Beneficiary and mail to the address of record.
- ☐ Make a check payable to the education institution and mail to the address of record.
- ☐ Make a check payable to the education institution and mail to the address below.

Name of institution

c/o

Name/Student ID#/Ref#/Attn:

Address

City

State

ZIP

- ☐ Mail a check to an alternate payee/address.<sup>3</sup>

Name

Address

City

State

ZIP

## 5

**BANK INFORMATION FOR ELECTRONIC SERVICES**

If you would like your distributions to be sent to a bank account, please select one of the options below.

NOTE: Requests to send proceeds electronically within 15 days of establishing or changing bank instructions may need to be signature guaranteed, otherwise your proceeds will be sent by check to your address of record.

- ☐ 1. **Use the Existing Bank Account.** Send the proceeds to the bank account currently linked to your Franklin Templeton account.
- ☐ 2. **Add a New Bank Account.** Send the proceeds to the new bank account identified on the next page and establish/change electronic transfers to or from the new bank account. These bank instructions will be established for purchases, automatic investment plan transfers, redemptions and any pre-established systematic withdrawals or dividend/capital gain payments. **If you previously declined the Telephone Redemption Privilege but would like Telephone Purchases, please review the important information regarding Telephone Purchases and Telephone Redemptions in Section 8.**
- ☐ 3. **Add a New Bank Account for This One-Time Requested Distribution Only.** Send the proceeds to the bank account identified on the next page and **DO NOT** retain this bank account for additional use.

If you've selected either option 2 or 3 on the previous page, please review and provide the information below:

- Any bank account owner who is not an owner of the Franklin Templeton fund account must sign in Section 8 and you, as the Responsible Individual, must also sign in Section 8.
- If the Franklin Templeton fund account and the bank account DO NOT include at least one common owner, you and all of the bank account owners must have your signatures guaranteed in Section 8.
- No checks? Include a preprinted savings account deposit slip or letter from your bank, on its letterhead and signed by an officer. The deposit slip or letter must include the bank account registration, account number, account type and bank routing number. Do not staple to the form. Handwritten information on the savings deposit slip or bank letterhead is not acceptable.

Select one of the following options:

- ☐ Use my enclosed letter from my bank. ☐ Use my enclosed preprinted checking deposit slip.
- ☐ Use my enclosed preprinted voided check. ☐ Use my enclosed preprinted savings deposit slip.

Bank routing number (9 digits) Bank account number

[illegible]

One of the following must be provided as proof of the Coverdell ESA Beneficiary's Permanent and Total Disability.

1. ☐ Copy of Beneficiary's valid Social Security Award Certificate
2. ☐ The certification below completed by the Beneficiary's physician

**PHYSICIAN'S CERTIFICATION OF PERMANENT AND TOTAL DISABILITY** I hereby certify that the Coverdell ESA Beneficiary named on the reverse side has become unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected to last at least 12 months, and will be permanent and continuous during the remainder of his/her lifetime. I understand that this will serve as proof of Permanent and Total Disability of the Beneficiary in order for his/her distributions to be exempt from the IRS' 10% early distribution excise tax.

**PHYSICIAN'S SIGNATURE**

Date

X

Name (please print or type)

Name of hospital/clinic

Street address

City

State

ZIP

3. ☐ Certification was previously provided to Franklin Templeton and I certify that it is still valid. **Approximate date submitted** (Month/Year):

The following supporting documents must be provided in the event of the death of a beneficiary:

- Photocopy of the certified death certificate of the Coverdell ESA beneficiary.
- Photocopy of an Inheritance Tax Waiver if the Coverdell ESA beneficiary resided in a state that requires a waiver. (Please contact the appropriate agency of the state in which the beneficiary resided to determine if an Inheritance Tax Waiver is required).

If a contingent beneficiary has been designated on the account complete Section 7A; otherwise, if there is no contingent beneficiary, the assets will be distributed to the beneficiary's estate. (Please complete Section 7B).

**7A CONTINGENT BENEFICIARY**

Please complete information concerning the contingent beneficiary, and then check 1, 2 or 3.

First name	M.I.	Last name	Social Security number	Date of birth (mm/dd/yyyy)
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Street address of residence (no P.O. Box address)		City	State	ZIP
<input type="text"/>		<input type="text"/>	<input type="text"/>	<input type="text"/>
Mailing address (if different from above)		City	State	ZIP
<input type="text"/>		<input type="text"/>	<input type="text"/>	<input type="text"/>
Primary phone number		Alternate phone number		
<input type="text"/>		<input type="text"/>		

If the contingent beneficiary is under age 30, the account must be transferred to a Coverdell ESA in his/her name.

1. ☐ A *Coverdell ESA Application* for the contingent beneficiary is attached.
2. ☐ Transfer the balance to contingent beneficiary's Coverdell ESA number .
3. ☐ The contingent beneficiary is over 30; send proceeds to the address shown above.  
(Please provide an Inheritance Tax Waiver if the Coverdell ESA beneficiary resided in a state that requires one).

**7B BENEFICIARY'S ESTATE**

If there is no contingent beneficiary, the assets will be distributed to the beneficiary's estate. In addition to the documents mentioned in Section 7, also please provide the following:

- A photocopy of the Letters of Testamentary or Letters of Administration (must be dated within the last 180 days).
- A valid Taxpayer Identification Number for the estate

Executor's first name	M.I.	Executor's last name	Executor's Social Security number	Executor's date of birth
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Street address of residence (no P.O. Box address)		City	State	ZIP
<input type="text"/>		<input type="text"/>	<input type="text"/>	<input type="text"/>
Mailing address (if different from above)		City	State	ZIP
<input type="text"/>		<input type="text"/>	<input type="text"/>	<input type="text"/>
Primary phone number		Alternate phone number		
<input type="text"/>		<input type="text"/>		

- I certify under penalty of perjury that all information contained herein, including the social security number (above), is true and correct. I further certify that I am a US person (including a US resident alien). (Nonresident aliens should cross out the preceding sentence and, if claiming treaty benefits, attach a completed Form W-8BEN.) I hereby acknowledge that I have received and read the Coverdell ESA Distribution Guide regarding this distribution.
- I authorize Franklin Templeton Investor Services, LLC ("Franklin Templeton") to initiate electronic debits from and/or credits to the Bank Account identified in Section 5 (if one is provided), when instructed to do so by me or by my authorized representative (and to make, if necessary, adjusting transfers if any amounts are transferred in error). If the Franklin Templeton account(s) and Bank Account include at least one common owner, I certify that the signature of the Franklin Templeton account owner is sufficient to authorize debits from the referenced Bank Account.
- I understand and agree that this authorization will remain in full force and effect until Franklin Templeton has received notification (whether by telephone or in writing) from me or my authorized representative, that this authorization is terminated, and Franklin Templeton and the financial institution have had a reasonable opportunity to act on the notification. I also agree that Franklin Templeton may make additional attempts to debit/credit the Bank Account if the initial attempt fails, and if a transfer is denied by the bank for any reason, Franklin Templeton will discontinue this authorization.
- I have requested options for transfers to or from my bank account in Section 5 and if there are no common owners between that bank account and my Franklin Templeton fund account, my signature below is signature guaranteed.
- I understand that digital communication channels are not necessarily secure. If I do choose to send confidential or sensitive information to you via digital communication channels (e.g., email, chat, text messaging, fax), I am accepting the associated risks related to potential lack of security, such as the possibility that my confidential or sensitive information may be intercepted/accessed by a third party and subsequently used or sold.

## RESPONSIBLE INDIVIDUAL SIGNATURE ONLY

X

Date

Signature of Responsible Individual (must be parent or legal guardian)

SIGNATURE GUARANTEE OR MEDALLION GUARANTEE STAMP<sup>4</sup>  
(IF REQUIRED)

\* A signature guarantee is REQUIRED for any of the scenarios listed below:

- distribution over \$250,000
- distribution sent to a new address or any address other than the address of record
- distribution made payable to a third party, other than the beneficiary's educational institution
- distribution sent electronically within 15 days of establishing or changing bank instructions in Section 5
- distribution sent electronically to a new bank account and you are not listed as an owner of that bank account

## BANK ACCOUNT OWNER(S) SIGNATURE(S) ONLY

X

Date

Signature of Bank Account Owner

SIGNATURE GUARANTEE OR MEDALLION GUARANTEE STAMP<sup>4</sup>  
(IF REQUIRED)

X

Date

Signature of Bank Account Owner

SIGNATURE GUARANTEE OR MEDALLION GUARANTEE STAMP<sup>4</sup>  
(IF REQUIRED)

4. If a signature guarantee is required, A NOTARY SEAL IS NOT ACCEPTABLE. Please have each signature separately guaranteed by a bank, savings and loan association, trust company, credit union, broker-dealer, or any other "eligible guarantor institution" as defined under the rules adopted by the Securities and Exchange Commission. These institutions often participate in signature guarantee medallion programs such as the Securities Transfer Agent Medallion Program (STAMP). A notary public cannot provide a signature guarantee.

## BEFORE YOU SUBMIT...

### TO DISTRIBUTE – DID YOU PROVIDE?

- A typed form or form handwritten in capital letters using blue or black ink.
- A Franklin Templeton reference ID related to your request on page 1 (if you were provided with one).

#### SECTION 1

Beneficiary Information:

- Full first and last name
- Last four digits of SSN/TIN

Responsible Individual Information:

- Full first and last name
- Email address

#### SECTION 2

- Distribution event for your transaction

#### SECTION 3

- Fund-account number(s)
- Amount
- Delivery method

#### SECTION 4

- Payment option (complete only one)

#### SECTION 5 (if applicable)

- Pre-printed voided check, deposit slip or letter from your bank on the bank's letterhead included with your completed form

#### SECTION 8

- The signature of the Responsible Individual and date signed
- The signature of the bank account owner(s) and date signed (if applicable)
- Signature guarantee stamp (if required)

## MAKE A PHOTOCOPY OF THE COMPLETED FORM FOR YOUR RECORDS.

**IMPORTANT: If an original signature guarantee or notary is required to process your request you may NOT email or fax your documents.**

EMAIL	FAX	MAIL
<ul style="list-style-type: none"><li>• Emails <b>MUST</b> include an attachment (PDF preferred) of your request.</li><li>• Sender's email address <b>MUST</b> match the email address on file, or the email <b>MUST</b> include a related reference ID(s) to be accepted.</li><li>• If you have not been registered on franklintempleton.com for at least 15 calendar days call (800) 527-2020 to request a reference ID to include in your email.</li></ul> <p><b>Financial Professionals:</b> ftrequests.us.franklintempleton@fisglobal.com</p> <p><b>Shareholders:</b> shrequests.us.franklintempleton@fisglobal.com</p>	(855) 891-8377	You may use any of the below mailing addresses:  <b>Regular Mail</b> <ul style="list-style-type: none"><li>• Franklin Templeton P.O. Box 33033 St. Petersburg, FL 33733-8033</li></ul> <b>Overnight</b> <ul style="list-style-type: none"><li>• Franklin Templeton 100 Fountain Parkway N. St. Petersburg, FL 33716-1205</li></ul>

# Coverdell Education Savings Account Distribution Guide

The term “**qualified education expenses**,” as defined in Section 530(b)(2) of the Internal Revenue Code (26 USC 530), means:

(a) *Qualified elementary and secondary education expenses* including the following:

- Tuition, fees, academic tutoring, special needs services in the cases of a special needs beneficiary<sup>1</sup>, books, supplies, and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary at an eligible educational institution;<sup>2</sup>
- Room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required in connection with such enrollment or attendance; and
- Expenses for the purchase of any computer technology or equipment or Internet access and related services, if such technology, equipment, or services are to be used by the beneficiary and the beneficiary's family during any of the years the beneficiary is in school. (Computer software designed for sports, games, or hobbies is not considered an expense unless the software is predominately educational in nature).

(b) *Qualified higher education expenses* including the following:

- Tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary at an eligible educational institution,<sup>2</sup> as well as special needs services in the case of a special needs beneficiary which are incurred in connection with such enrollment or attendance; and
- If the beneficiary is at least a half-time student, room and board while attending such institution; however, the expense shall not exceed the allowance for room and board included in the cost of attendance as determined by the eligible educational institution for such period, or, if greater, the actual invoice amount the student residing in housing owned or operated by the eligible educational institution is charged by such institution for room and board costs for such period.

(c) *A distribution from a Coverdell ESA may be used to contribute to a qualified tuition plan.*

**Beginning in 2002, a HOPE or Lifetime Learning tax credit may be claimed in the same taxable year in which the beneficiary takes a tax-free distribution from a Coverdell ESA, provided the distribution from the Coverdell ESA is not used for the same expenses for which the credit is claimed. In addition, one can now make contributions to a Coverdell ESA and a qualified tuition program in the same year for the same beneficiary.**

**DISTRIBUTIONS FROM A COVERDELL ESA ARE TAX-FREE PROVIDED THE FOLLOWING REQUIREMENT IS MET:**

- Withdrawals from a Coverdell ESA do not exceed the Beneficiary's qualified education expenses for the tax year.

**DISTRIBUTIONS THAT ARE *NOT* USED TOWARDS THE BENEFICIARY'S QUALIFIED EDUCATION EXPENSES, OR EXCEED THE BENEFICIARY'S QUALIFIED EDUCATIONAL EXPENSES, WILL RESULT IN THE FOLLOWING *TAX CONSEQUENCES*:**

- The Beneficiary will be subject to both income tax and an additional 10% federal tax penalty on the portion of the distribution that represents **earnings** accumulated in the account. However, the 10% federal tax penalty will not apply if the designated beneficiary is permanently disabled, dies, or the distribution is made because the beneficiary received a qualified scholarship, an educational assistance allowance, or other payment excludable from gross income.
- Each distribution is treated as representing a pro-rata share of the principal (i.e., contributions) and accumulated earnings in the account.

**EXAMPLE:** A Coverdell ESA has a total balance of \$2,000, of which \$1,500 represents past contributions and \$500 represents earnings. If \$1,000 (½ of the balance) were withdrawn, \$250 of the distribution would represent accumulated earnings. Unless the distribution is used towards a qualifying education expense, the \$250 portion will be subject to taxes and (assuming the beneficiary has not died or become permanently disabled) a 10% federal tax penalty.

- A withdrawal from a Coverdell ESA may be rolled over tax-free to another Coverdell ESA for the benefit of the same beneficiary or certain eligible members of the beneficiary's family within 60 days. Eligible members of the beneficiary's family include his/her children and their descendants, stepchildren and their descendants, siblings and their children, parents and grandparents, stepparents, spouses of the foregoing and first cousins of the beneficiary. The \$2,000 annual contribution limit to the Coverdell ESA does not apply to these rollover contributions.
- **The amount remaining in a Coverdell ESA upon the beneficiary's 30th birthday must be distributed within 30 days. This does not apply to a special needs beneficiary.**

**EXCESS CONTRIBUTION TO A COVERDELL ESA** The total Coverdell ESA contributions from ALL sources for the designated beneficiary during the tax year may not exceed \$2,000. Aggregate contributions for the benefit of the beneficiary in excess of \$2,000 are treated as excess contributions. If the excess contributions and any earnings attributable to them are not withdrawn before the first day of the sixth month following the taxable year (June 1st), the excess contributions are subject to a 6% excise tax for each year the excess remains in the Coverdell ESA. The excess contribution withdrawn is not taxable, but the earnings must be included as income for the tax year the excess was made and may be subject to a 10% premature penalty tax. The excise tax is imposed on the beneficiary and not the contributor. [IRC §530(d)(4)(C); IRC § 4973(e); IRS Notice 97-60]

**NOTE:** In the event the Responsible Individual dies or becomes incapacitated, the Beneficiary shall become the Responsible Individual if he or she has reached the age of majority and is not incapacitated. If the Beneficiary does not satisfy these requirements and the Responsible Individual was a parent, the other parent shall become the Responsible Individual. If there are no remaining parents, the Beneficiary's legal guardian will become the Responsible Individual.

1. A “*special needs beneficiary*” is one who, because of a physical, mental or emotional condition (including a learning disability) requires additional time to complete his or her education, as determined by Department of Treasury regulations.

2. An “*eligible educational institution*” is any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under state law, including a public, private or religious school; and generally any college, university, or post-secondary vocational institution offering credit towards an associate, bachelor's, graduate or professional degree, or other recognized post-secondary credential, that is eligible to participate in a Department of Education student aid program.

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