



RETIREMENT PLANS

MIDLAND NATIONAL ANNUITY DIVISION

 **MIDLAND NATIONAL**
Life Insurance Company
Annuities at their Best



RETIREMENT PLANNING IS A CHALLENGE

MIDLAND NATIONAL LIFE INSURANCE COMPANY CAN HELP

Everyone has a different definition for retirement. While we all have different visions and goals for this phase of our life, one thing remains constant: planning for retirement is a responsibility not to be taken lightly.

Social Security is the largest source of income for most elderly Americans today, but Social Security was never intended to be your only source of income when you retire. You also will need other savings, investments, pensions or retirement accounts to make sure you have enough money to live comfortably when you retire. A secure, comfortable retirement is every worker's dream. And now because we're living longer, healthier lives, we can expect to spend more time in retirement than our parents and grandparents did. Achieving the dream of a secure, comfortable retirement is much easier when you plan your finances.

This Retirement Plans Booklet summarizes the plans offered by Midland National. You will find information on the following:

- Traditional IRAs
- Roth IRAs
- 403(b) Tax-Sheltered Annuities
- SEP IRAs

This booklet is only a guide. As always, we at Midland National urge you to consult with and rely on your own tax or legal professional before entering into any retirement plan.

For more information, please contact your Midland National agent or the Midland National Annuity Division at 877-586-0241.

Neither Midland National, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on a qualified advisor. Under current law, annuities grow tax deferred. Annuities may be subject to taxation during the income or withdrawal phase. The tax-deferred feature is not necessary for a tax-qualified plan. In such instances, you should consider whether other features, such as the Death Benefit, lifetime annuity payments and optional riders make the contract appropriate for your needs.

QUICK REFERENCE¹

	TRADITIONAL IRA	ROTH IRA	SEP IRA	403(b)
MINIMUM AGE TO QUALIFY	No minimum age (however Midland National requires IRA annuitant/owner to be Age of Majority in resident state)	No minimum age (however Midland National requires IRA annuitant /owner to be Age of Majority in resident state)	No employee age 21 or older can be excluded	Must be employee of eligible organization
SERVICE REQUIREMENT	You must have earned income	You must have earned income	Plan may require service in 3 out of the 5 preceding calendar years	No waiting period
CONTRIBUTION LIMIT (WITHOUT 50+ CATCH UP)	\$5,000 year 2009, \$5,000 year 2010; cannot contribute more than earned income	\$5,000 year 2009, \$5,000 year 2010; cannot contribute more than earned income	The employer may contribute the lesser of 25% of income or \$49,000 for 2010 (subject to cost-of-living adjustments) on behalf of each eligible employee	\$16,500 year 2010; cannot contribute more than includable compensation
CATCH-UP CONTRIBUTION (FOR PARTICIPANTS AGE FOR 50+)	\$1,000	\$1,000	N/A since a SEP IRA consists of employer contributions	\$5,500
TAX DEDUCTIBILITY	Deduction is allowed if you are not an active participant in an employer-sponsored plan. If you are an active Participant in an employer-sponsored plan, your income will be subject to the phase-out chart (see IRA section)	N/A since Roth IRA contribution consists of after-tax money	Employer may be able to deduct up to 25% of compensation	You may contribute up to the maximum allowed on a pre-tax basis
MAXIMUM CONTRIBUTION AGE	Contributions cannot be made starting in the year you attain age 70 ½	No maximum age for contribution (provided you have earned income)	No age limit provided that you are still employed	No age limit provided that you are still employed
ANNUAL CONTRIBUTION DEADLINE	Contribution must be postmarked by the due date of tax returns (typically April 15)	Contribution must be postmarked by the due date of tax returns (typically April 15)	Contribution must be postmarked by employer's tax filing deadline	Midland National recommends contributions be remitted within 15 days after the end of the month of the deferral
REQUIRED MINIMUM DISTRIBUTIONS	Required Minimum Distributions must begin by April 1 of the year after participant attains age 70½	No Required Minimum Distribution while Roth IRA owner is alive	Required Minimum Distributions must begin by April 1 of the year after you attain age 70½	Required Minimum Distributions must begin by April 1 of the calendar year following the later of your attaining age 70½, or the year in which you retire from the employer maintaining the plan
<p>1. Neither Midland National, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult with and rely on a qualified legal and/or tax advisor.</p>				

TRADITIONAL IRA

WHAT IS AN INDIVIDUAL RETIREMENT ANNUITY (IRA)?

A Traditional IRA is a personal retirement plan to which eligible participants can make tax-deductible and non-deductible contributions each year. (Midland National only accepts tax-deductible contributions.)

AM I ELIGIBLE TO SET UP AN IRA?

Provided that you are under the age of 70½ at the close of the tax year and have earned income during the tax year in question, an IRA may be established. Most IRA owners invest in an IRA in order to make a deductible contribution, rather than a non-deductible contribution. In order to qualify for a deductible contribution, an additional question must be answered. Have you or your spouse been an active participant in an employer-sponsored plan in any part of the plan year? A good rule of thumb for determining the answer to this question is to look at your W-2, since your employer is required to report your active status with regard to such plans. If it is determined that you are an active participant in an employer-sponsored plan, the deduction for the contributions made to the IRA may be reduced or eliminated. For 2010, if you were covered by a retirement plan at work, your deduction for contributions to a traditional IRA is reduced (phased out) if your modified Adjusted Gross Income (AGI) for your applicable tax filing status is with the ranges of the following chart:

TAX YEAR	FILING SINGLE OR HEAD-OF-HOUSEHOLD	MARRIED FILING JOINTLY	MARRIED FILING SEPARATE RETURN
2010	\$56,000 - \$66,000	\$89,000 - \$109,000	\$0 - \$10,000

As an example, assume that a client is a single individual and is currently an active participant in an Employee-Sponsored Plan. If this individual's income in 2010 is under \$56,000, the IRA contribution is fully deductible since this income falls under the phase-out range. If the client's income is \$60,000, a portion of the contribution will be deductible. However, if the contributing individual's income is over \$66,000, the contribution is entirely non-deductible. Note that if you file a joint return and you are not a participant in an Employee-Sponsored Plan, but your spouse is an active participant, the deduction for the contribution may be reduced or eliminated. The phase out range for 2009 is \$166,000-\$176,000. (See IRS Pub 590 for more details.)

If you and your spouse are not active participants in an employer-sponsored plan, the deductible amount may be the lesser of 100% of income or the maximum contribution allowed (see chart on following page).

TRADITIONAL IRA

HOW MUCH MAY I CONTRIBUTE TO AN IRA?

If you and your spouse are not active participants in an employee-sponsored plan, you may contribute the lesser of 100% of income or the maximum contribution allowed in the corresponding tax year.

See the chart below for the maximum contribution allowed during the tax year:

Additionally, if you are age 50 or older for the tax year of the contribution, an additional catch-up amount can be contributed. This catch-up option allows an additional \$1,000 to be contributed during the tax year.

TAX YEAR	MAXIMUM CONTRIBUTION	AGE 50 & ABOVE
2009	\$5,000	\$6,000
2010	\$5,000	\$6,000

If you are married, you may also have the opportunity to make a deductible contribution into an IRA on behalf of your non-working spouse provided that a joint return is filed for the year. Please consult your tax advisor to determine your specific eligibility and deductibility amounts.

WHAT ARE THE RESTRICTIONS ON AN IRA DISTRIBUTION?

You may withdraw IRA funds at any time and income taxes are payable on the entire pre-tax portion (all of the money will be pre-tax provided that there are no non-deductible IRA contributions). A 10% penalty tax may also be imposed if you are under age 59½. Exceptions to this penalty tax (if under 59½) are available. One such exception applies to those situations in which the funds are used by a first time homebuyer (subject to a \$10,000 limitation). A second exception applies where an IRA distribution is used for qualified educational expenses. However, these two exceptions do not apply to the ordinary income tax assessed upon the pre-tax portion of the withdrawal. Please consult your tax advisor to determine whether these or other exceptions apply to your specific situation.

Additionally, you must begin taking Required Minimum Distributions (RMDs) at age 70½, which are based on your life expectancy. The required beginning date for an RMD is April 1 of the calendar year following the calendar year in which you attain age 70½.

CAN YOU TRANSFER/ROLLOVER EXISTING RETIREMENT ACCOUNTS TO A MIDLAND NATIONAL IRA?

Yes, in addition to accepting contributory funds, a Midland National IRA also accepts transfers from existing IRAs, SEP IRAs, and SIMPLE IRAs (after the SIMPLE IRA has been in place for two years) as well as rollovers from 401(k), TSA, Governmental 457, Profit Sharing and other retirement plans.

Midland National also allows Multi-Generational IRAs, which essentially allow RMDs to continue to your beneficiary(ies) after your death. See the Midland National Multi-Generational brochure (9061Y) for more information.

ROTH IRA

WHAT IS A ROTH IRA?

A Roth IRA is a personal retirement plan into which eligible participants can make after-tax contributions. The Roth IRA was introduced as part of the Taxpayer Relief Act of 1997. A benefit of a Roth IRA is that an owner may take distributions from it tax free, provided that the account is at least five years old and the account holder is 59½ or older.

WHAT MAKES YOU ELIGIBLE TO SET UP A ROTH IRA?

You may make the maximum Roth contribution provided that your Adjusted Gross Income (AGI) does not exceed the low end of the following ranges. For 2010, Roth contributions are reduced (phased out) if your modified AGI for your applicable tax filing status is within the ranges of the following chart:

FILING SINGLE OR HEAD-OF-HOUSEHOLD	MARRIED FILING JOINTLY	MARRIED FILING SEPARATE RETURN
\$105,001 - \$120,000	\$166,001 - \$176,000	\$1 - \$10,000

As an example, assume a married individual filing a joint tax return with an AGI of \$160,000. In this situation, the individual would be eligible to make a full contribution to a Roth IRA (see chart below to determine contribution limits). If the individual's AGI was \$170,000, only a partial contribution would be allowed. If the individual's AGI was \$176,000, no Roth contribution would be permitted.

Unlike the Traditional IRA, there are no limitations based on whether you are an active participant in an employer-sponsored plan. Also, contrary to a Traditional IRA, contributions may be made beyond age 70½ provided you still have earned income.

HOW MUCH MAY BE CONTRIBUTED TO A ROTH IRA?

You may contribute the lesser of 100% of income or the maximum contribution allowed in the corresponding tax year. See the chart below for the maximum aggregate contribution allowed for all IRAs during the tax year:

TAX YEAR	MAXIMUM CONTRIBUTION	AGE 50 & ABOVE
2009	\$5,000	\$6,000
2010	\$5,000	\$6,000

Additionally, if you are age 50 or older for the tax year of the contribution, an additional catch-up amount can be contributed. This catch-up option allows an additional \$1,000 to be contributed during the tax year.

As a working spouse, you may also contribute to a Roth IRA on behalf of your non-working spouse provided you file a joint tax return and your Adjusted Gross Income doesn't exceed the limitations set forth above.

ROTH IRA

WHAT ARE THE RESTRICTIONS ON A ROTH IRA DISTRIBUTION?

As a Roth IRA owner, you may withdraw Roth funds at any time. In order to enjoy one of the primary benefits of a Roth IRA, the withdrawal must be a “qualified distribution”. If so, the funds (including any interest earned) may be withdrawn tax-free and the 10% penalty tax will not apply. In order to be considered a “qualified distribution”, the distribution must be after the fifth-taxable year period beginning with the first taxable year for which you first made a regular (non-rollover) contribution to a Roth IRA and one of the following conditions must also be met.

Payment or Distribution is Made:

1. On or after the date you reach age 59½
2. To a beneficiary or to your estate after your death
3. Because you are disabled
4. As a Qualified special purpose first time homebuyer distribution (\$10,000 limit)

Please see IRS Pub. 590 for other early distributions where the 10% additional tax may not be applicable.

The only exception to the “qualified distribution” rule applies where the funds are used toward educational expenses. In this situation, the earnings are taxed but not penalized by the IRS.

Unlike a Traditional IRA, there is no Required Minimum Distribution (RMD) for a Roth IRA.

CAN YOU TRANSFER/ROLLOVER EXISTING RETIREMENT ACCOUNTS TO A MIDLAND NATIONAL ROTH IRA?

Yes, you may transfer existing Roth IRA funds to a Midland National Roth IRA. Beginning in 2008, proceeds of other types of retirement accounts can be transferred/rolled directly into a Roth IRA. Since most other types of retirement accounts consist of pre-tax money, the money would be converted into a Roth IRA. Please consult your tax advisor for eligibility requirements and other details concerning Roth IRA conversions.

TAX-SHELTERED ANNUITY 403(b)

WHAT IS A 403(b) TAX-SHELTERED ANNUITY?

A 403(b) tax-sheltered annuity is a retirement savings program that allows employees to save pre-tax dollars, which grow on a tax-deferred basis until distributions are taken. Employees of public education institutions and 501(c)(3) organizations may participate in a 403(b) program. The term “public education institution” may include kindergarten through 12th grade public schools, charter schools, community colleges, state-funded colleges and universities. A 501(c)(3) organization may include nonprofit (nongovernmental) hospitals, churches, United Way and all its member agencies, museums, zoos, symphonies, most foundations, blood banks, legal aid and humane societies.

NOTE: The IRS notifies 501(c)(3) organizations of their tax-exempt status by sending a Letter of Determination, so all 501(c)(3) employers should be aware of their 501(c)(3) status.

WHO IS ELIGIBLE TO PARTICIPATE IN A 403(b)?

Only employers categorized as either public education institutions or 501(c)(3) organizations can set up a 403(b) account for their employees. An employee may participate in the employer’s 403(b) account when employee contributions are allowed. In addition, Midland National must be named by the employer as an authorized vendor. In general, the employee may elect to participate in the salary reduction portion of the 403(b) program provided that the minimum contribution elected is \$200 or more annually. (Midland National requires a minimum of \$50 per month on all flexible contracts.) There are some exclusions to this rule (e.g. employee of a church or qualified church controlled organization). Employers should consult their tax advisor to determine which employees could potentially be excluded.

HOW MUCH MAY BE CONTRIBUTED TO A 403(b)?

You may contribute the lesser of 100% of includable compensation or the maximum contribution allowed in the corresponding tax year. All elective contributions come directly from your paycheck before taxes (however FICA taxes apply unless your employer has opted out of Social Security). See the chart below for the maximum contribution allowed during the tax year:

TAX YEAR	BASIC DEFERRAL LIMIT
2009	\$16,500
2010	\$16,500

Additionally, if you are age 50 or older for the tax year of the contribution, an additional catch-up amount may be contributed. See the chart below for the maximum catch-up contribution during the tax year.

TAX YEAR	“CATCH UP”
2009	\$5,500
2010	\$5,500

As an example, assume the employee is age 52 and earns \$40,000 in 2010. This employee may be able to contribute \$16,500 without exceeding the elective deferral limit. If the employee works for an employer who allows employee contributions to the 403(b) account, he/she may also be able to contribute up to an additional \$5,500. Please contact your employer or your own tax advisor with any questions on 403(b) contributions.

TAX-SHELTERED ANNUITY 403(b)

WHAT ARE THE RESTRICTIONS ON A 403(b) DISTRIBUTION?

Unlike an IRA, Roth IRA, and SEP IRA, typically you may not withdraw funds from your 403(b), dependent upon your employer's 403 (b) plan specifications. However, the following situations may allow you to be eligible to take a distribution from your 403(b) (this does not necessarily exempt you from taxation, 10% penalty tax, or Midland National surrender charges):

1. Severance of employment with the sponsoring employer
2. Reaching age 59½
3. Death or disability of participant
4. Qualifying hardship (Salary reduction contributions only, not earnings)
5. Distribution for qualified reservist

(see IRS 403(b) Final Regulations published July 24, 2007)

Additionally, you must begin taking the Required Minimum Distribution (RMD) at the later of April 1 of the calendar year following attainment of age 70½ or retirement. An exception to this required beginning date applies to account values on December 31, 1986. (Since these values are grandfathered, the required beginning date is the later of age 75 or the date you separate from service.)

CAN YOU TRANSFER/ROLLOVER EXISTING RETIREMENT ACCOUNTS TO A MIDLAND NATIONAL 403(b)?

Yes, in addition to accepting contributory funds, a Midland National 403(b) accepts transfers from existing 403(b)s as well as rollovers from IRAs, SEP IRAs, 401(k)s, TSAs, Governmental 457s, Profit Sharing Plans, and other retirement plans and Midland National must be an approved vendor for a new employer 403(b) plan. In addition, Midland National must be named by the plan sponsor as an approved vendor within the plan sponsor's plan document.

See IRS Pub 571

SIMPLIFIED EMPLOYEE PENSION (SEP) IRA

WHAT IS A SEP IRA?

A Simplified Employee Pension (SEP) is an IRA, which is funded exclusively by employer contributions. A SEP provides a means of retirement savings for self-employed persons and employees of small businesses. The SEP can be a simple alternative to more complicated and costly qualified plans.

WHO IS ELIGIBLE TO PARTICIPATE IN A SEP IRA?

All employees that meet the following conditions are eligible to participate in a SEP IRA:

1. The employee is at least 21 years old
2. The employee has performed services for the employer in at least three of the immediately preceding five years
3. The employee has earned at least \$500 in total compensation during the year
4. The employee is not covered under a collective bargaining agreement
5. The employee is not a nonresident alien

The employer may offer less restrictive eligibility requirements than those listed above, but they may not be more restrictive.

HOW MUCH MAY BE CONTRIBUTED TO A SEP IRA?

The employer may contribute the lesser of 25% of income or \$49,000 for 2010 (subject to cost-of-living adjustments) on behalf of each eligible employee. Compensation, for this purpose, does not include compensation over \$245,000 for 2010. The employer is not required to make a contribution every year, however provided that a contribution is made, the contribution must be made to all eligible participants on a non-discriminatory basis. The contributions are excluded from the employee's gross income and will not be reported as taxable income on the employee's Form W-2.

An advantage to the SEP IRA is that contributions may continue past age 70½, provided the employee is still working. However, the Required Minimum Distribution RMD must begin by April 1st of the year, which age 70½ is attained.

SIMPLIFIED EMPLOYEE PENSION (SEP) IRA

WHAT ARE THE RESTRICTIONS ON A SEP IRA DISTRIBUTION?

You may withdraw SEP IRA funds at any time, and income taxes will be payable on the entire amount. A 10% penalty tax may also be imposed if you are under 59½. Exceptions to this penalty tax (if under 59½) are available. One such exception applies to those situations in which the funds are used by a first time homebuyer (subject to a \$10,000 limitation). A second exception applies where a SEP IRA distribution is used for qualified educational expenses. However, ordinary income tax will be assessed upon the withdrawal. Please consult your tax advisor to determine whether these or other exceptions apply to your specific situation.

Additionally, you must begin taking Required Minimum Distributions (RMDs) at age 70½. The RMDs are based on the owner's life expectancy. The required beginning date for an RMD is April 1 of the calendar year following the calendar year in which age 70½ is attained.

HOW IS A SEP IRA ESTABLISHED?

In order to establish a SEP IRA, the employer must execute a formal written agreement (a 5305-SEP or prototype document) to provide benefits to all eligible employees.

An employer is eligible to set up a SEP IRA using a 5305-SEP with Midland National provided that the following requirements are met:

1. Currently the employer does not maintain any other retirement plan (besides another SEP IRA)
2. The employer does not use the services of leased employees
3. The employer must set up a SEP IRA for all eligible employees
4. The employer cannot be a member of an affiliated service group unless all employees of the group participate in the SEP IRA

The 5305-SEP form may be found at www.irs.gov. If the employer does not meet the requirements of using a 5305-SEP, a master or prototype plan for which a favorable opinion letter has been issued by the IRS or an individually designed plan must be used. For more information on establishing a SEP IRA, please refer to IRS Publication 560.

CAN YOU TRANSFER/ROLLOVER EXISTING RETIREMENT ACCOUNTS TO A MIDLAND NATIONAL SEP?

Yes, in addition to accepting contributory funds, a Midland National SEP IRA also accepts transfers from existing SEP IRAs, IRAs, SIMPLE IRAs (if SIMPLE IRA has been in place for two years), as well as rollovers from 401(k), TSA, Governmental 457, Profit Sharing and other retirement plans.

MIDLAND NATIONAL HAS CONSISTENTLY EARNED HIGH INDUSTRY RATINGS:

A.M. Best	A+ (Superior)^{*, †}	2nd highest out of 15 categories	A.M. Best is a large third-party independent reporting and rating company that rates an insurance company on the basis of the company's financial strength, operating performance, and ability to meet its obligations to contract holders.
Standard & Poor's Corporation	A+ (Strong)[‡]	5th highest out of 22 categories	Standard & Poor's Corporation is an independent third-party rating firm that rates on the basis of financial strength.

* A.M. Best rating assigned on April 16, 2009. For the latest rating, access www.ambest.com.

† Awarded to Midland National as part of Sammons Financial Group, which consists of Midland National Life Insurance Company and North American Company for Life and Health Insurance.

‡ Standard and Poor's rating assigned February 26, 2009.

Ratings shown reflect the opinions of the rating agencies and are not implied warranties of the company's ability to meet its financial obligations. Ratings are current as of the date of this brochure.

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INSURANCE MARKETPLACE
 STANDARDS ASSOCIATION

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 NO BANK GUARANTEE.**