



401(k) SAFE HARBOR HARDSHIP DISTRIBUTION FORM

For VALIC Annuity Accounts Only – Plan Types 403(b), 401(a) and 401(k)

The Variable Annuity Life Insurance Company

Mail Completed Forms to:

AIG VALIC – Document Control

P.O. Box 15648, Amarillo, TX 79105-5648

Call 1-800-448-2542 for assistance.

1. CLIENT INFORMATION

Name: _____ SSN or Tax ID: _____

Daytime Phone: _____ Date of Birth: _____

Use this form if you are currently employed with the employer sponsoring the Plan. If you have separated from service, please complete a Cash Distribution Form (VL 8725).

Employer Name: _____

2. DISTRIBUTION REQUEST Distributions from a Multi-Year Enhanced Fixed Term may be subject to a market value adjustment.

\$ _____ AMOUNT requested on account of your immediate financial need. You may, at your option, request a distribution amount that includes taxes you reasonably expect to be payable on the distribution you are requesting in an amount not to exceed 40% of your hardship need.

Optional: You may specify an amount or percentage to be taken from each fund for the account(s) listed below. If fund codes are not specified, the funds will be withdrawn in the following order: Fixed Account Plus (FB001), Short Term Fixed (FP002), Largest Variable Investment Option, Second Largest Variable Investment Option, etc., Fixed Account Plus Enhanced (FB003) and lastly the Multi-Year Term(s).

Please Indicate Account(s) you wish to withdraw from.

Account # _____	Account # _____	Account # _____
\$ _____ or _____ %	\$ _____ or _____ %	\$ _____ or _____ %
Fund Code _____	Fund Code _____	Fund Code _____
Amount \$ _____ or _____ %	Amount \$ _____ or _____ %	Amount \$ _____ or _____ %
_____ \$ _____ or _____ %	_____ \$ _____ or _____ %	_____ \$ _____ or _____ %
_____ \$ _____ or _____ %	_____ \$ _____ or _____ %	_____ \$ _____ or _____ %
_____ \$ _____ or _____ %	_____ \$ _____ or _____ %	_____ \$ _____ or _____ %
_____ \$ _____ or _____ %	_____ \$ _____ or _____ %	_____ \$ _____ or _____ %

3. REASON FOR DISTRIBUTION

Check the appropriate box(es) that describes the nature of your immediate and heavy financial need.

- Medical expenses for you, your spouse, or your dependent.
- Expenses directly related to the purchase of your principal residence, excluding mortgage payments.
- Tuition-related educational fees, room and board, for post-secondary education for the next 12 months for you, your spouse, your children, or your dependents.
- Amounts required to prevent eviction from, or foreclosure on, your principal residence.
- Funeral expenses for your deceased parent, spouse, children or dependents.
- Repairs for uninsured or underinsured damage to your home due to theft, fire, storm or other casualty.

4. MAILING INSTRUCTIONS

The distribution will be mailed to your permanent address on record unless otherwise indicated below.

Street Address _____ City _____ State _____ ZIP _____

- Check if the above is your new permanent address.
- Send check by overnight delivery. I understand, by providing my credit card number below, that there will be a charge billed to my credit card for this service and that a street address is required. If the credit card charge is not approved, the check will be sent by regular mail.

Card # _____ Expiration Date: _____ Master Card Visa American Express

5. INCOME TAX WITHHOLDING

Any amounts that are not eligible for rollover will be subject to 10% federal tax withholding on any taxable amount by VALIC unless you request otherwise below. In addition, any distribution to you will be taxable in the year received and may be subject to an additional 10% penalty tax if you are under age 59½. If you choose not to have taxes withheld, interest and penalties may be imposed by the IRS for any under-withholding.

Federal Withholding Instructions

- DO NOT withhold any federal income taxes unless mandated by law.
- DO withhold federal taxes in the amount of _____ % (cannot be less than any mandatory withholding).

State Withholding Instructions

- DO NOT withhold any state taxes unless mandated by law.
- DO withhold state taxes in the amount of _____ % (cannot be less than mandatory withholding).

Notice to Non-Resident Aliens: A payment to an address outside the United States may be subject to federal income tax withholding at a 30% rate unless the payee submits a completed IRS Form W-8BEN and the payments are eligible for reduced withholding.



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6. SPOUSAL CONSENT

ERISA covered and certain other employer plans require the client to state his/her marital status and the spouse to consent to this distribution. Please check the appropriate box below:

REQUIRED FOR CLIENT: Client Marital Status

- Not Married Married Legally Separated: Attach Court Order of Legal Separation (petition not acceptable)
- Missing Spouse: I hereby affirm that I have made reasonable attempts to locate my spouse and have not been able to do so.

REQUIRED FOR SPOUSE: Spousal Consent

Under federal law for ERISA plans and the terms of some employer plans, as the spouse of the contract owner, you have the right to receive a survivor benefit of at least 50% of the amount in this contract if your spouse dies before you. As a result, your spouse must have written consent before making withdrawals from this contract. If you consent to the withdrawal, you will not receive a survivor benefit payment from VALIC for the amount withdrawn. If you agree to the withdrawal, please read and sign the statement below and have your signature witnessed.

- I agree to the payment of funds from the contract(s) listed in Section 2.
- I understand and agree that I am giving up my right to receive a survivor benefit payment from VALIC for the amount being paid and I release VALIC from all liability for making this payment.

Spouse's Signature _____ Date _____

SPOUSE'S SIGNATURE WITNESSED BY NOTARY PUBLIC

This section is only to be used for a Notary Public's witnessing of the Spousal Consent *in absence of the Plan Administrator's Witness*.

Before me personally appeared _____ (name of spouse) known to me to be the person who executed the SPOUSAL CONSENT and he/she acknowledged to me that he/she executed the same.

State of _____ County of _____ On this ____ day of _____, year of _____

Notary Public _____

7. VESTING DETERMINATION FOR EMPLOYER CONTRIBUTION SOURCES

Vesting Information: To be completed by the employer sponsoring the plan if VALIC is NOT providing full plan administration services.

Employer Basic Vested _____% Employer Supplemental/Matching Vested _____%

All Employers: Indicate hours worked if Hours of Service is used by your plan to calculate benefits. Indicate months worked if Elapsed Time is used by your plan to calculate benefits. Any month in which an employee was compensated for one hour must be counted as a month worked.

Hours Worked _____ or Months Worked _____ or \$ _____

8. PLAN ADMINISTRATOR APPROVAL

To be completed where required under your employer's plan.

- I approve this distribution in accordance with current plan provisions and all applicable laws and regulations.
- I verify that the information provided on this form for purposes of this distribution is correct to the best of my knowledge.
- If applicable, the client has established to my satisfaction that spousal consent is not required.
- I affirm that any signature of a client's spouse in Section 7 of this form has been witnessed either by me or by a Notary Public.

Plan Administrator's Signature

Plan Administrator (Print Name)

Date

9. CLIENT APPROVAL

- I authorize the above distribution and certify that all statements, including marital statements, are complete and accurate to the best of my knowledge and belief.
- I have read and understand the information provided in the Information pages of this form and acknowledge that distributions may be subject to surrender charges as provided in the contract and that this distribution may result in taxable income and penalties.
- I have read and understood the "Joint and Survivor Annuity and Qualified Annuity Benefit" section of the Special Tax Notice. By signing below I am agreeing to waive any benefit or right described in that section that would have been provided with respect to the amount that I am withdrawing. I also understand that I have the right to revoke any waiver if a distribution has not already been made.
- I am unable to obtain the amount needed from other reasonably available resources and have already reduced the amount of my hardship by other resources that are reasonably available to me, as described in the Information pages of this form, including but not limited to (a) amounts available to me under any retirement plan of my employer, and (b) any loans where repayment would not itself create a hardship.
- I understand that I will be responsible for providing evidence to the IRS, if required, to verify my distribution reason. I agree to maintain supporting documentation for this hardship request and make such documentation available to the IRS, my employer, or VALIC as may be necessary to verify the qualification of the distribution requested.

Client's Signature

Client (Print Name)

Date

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Information

For more information regarding the completion of this form, you may call our Client Care Center at 1-800-448-2542 or your financial advisor.

Your employer's plan may not allow hardship withdrawals or may limit hardship withdrawals to only certain reasons. Your employer's plan may require you to stop voluntary salary deferrals to all available plans for 6 months and to limit your deferrals in the following calendar year. If so, you will generally also lose any associated matching contributions, if applicable.

Please check with your financial advisor or your employer's benefits office for more information on plan provisions. The IRS will be notified that you have made a withdrawal due to hardship. Your hardship must be bona fide or your account value may become immediately taxable to you and subject to substantial penalties and interest.

You are permitted to take a hardship distribution ONLY IF YOU ARE UNABLE to satisfy the immediate and heavy financial need identified on the form, from other reasonably available resources, including, but not limited to, the resources listed below.

- Cessation of deferrals to all plans of the employer.
- Liquidation of savings or investment, including sale of property; and permitted withdrawals from all retirement plans.
- Loans available from life insurance policies, retirement plans of your employer (including the plan from which you are requesting this distribution), or commercial lenders on commercially reasonable terms, if repayment of such loans would not itself create a financial hardship.
- Insurance proceeds.
- Other reasonably available resources.

Any amount that you could withdraw without requesting a hardship withdrawal (including pre-89 TDA funds) may be eligible for rollover to another plan or IRA, and will be subject to mandatory 20% federal income tax withholding. By completing this form, you are choosing to waive any right you may have to a direct rollover, and to waive any right to wait up to thirty days before receiving this distribution. If you do not wish to waive either of these rights, or if you intend to roll over any eligible portion of your withdrawal within 60 days after you receive it, avoiding current taxation, you should: (1) complete VALIC's Cash Distribution Form for the rollover-eligible amount; and (2) reduce the amount requested on this form accordingly.

SPECIAL TAX NOTICE

You have the right to at least 30 days to consider your alternatives after receiving this notice. You may waive this review period. Your signature on this form will indicate that either you have had this 30-day review or that you have chosen to waive it, and you are requesting an immediate distribution.

ELIGIBLE ROLLOVER DISTRIBUTIONS

The information in this notice applies to qualified plans, tax-deferred annuity arrangements, IRAs, and governmental 457(b) deferred compensation plans. Generally, the rules below that apply to payments to employees also apply to surviving spouses and alternate payees.

Most withdrawals from tax-favored retirement plans are eligible for rollover either to an IRA or to another plan if the receiving plan accepts such rollovers. Some plans do not accept rollovers of certain types of distributions. Check with the administrator of that plan about whether the plan accepts rollovers and, if so, the types of rollover distributions it accepts.

ROLLOVERS OF BENEFICIARY ACCOUNTS

Only spousal beneficiaries are allowed to roll over distributions to an IRA or another plan. The receiving plan must accept such rollovers. Non-Spousal beneficiaries are not allowed to roll over distributions.

DISTRIBUTABLE EVENT

Generally a distributable event includes attainment of age 59½ (age 70½ for governmental 457(b) plans), separation from service, disability or death. However, the employer's plan may place additional restrictions that must also be met prior to a distribution. If you have met a distributable event, you may request a rollover of funds to any eligible plan type or a transfer to a like plan type. If you wish to move funds from your VALIC 403(b) account to another 403(b) account via a rollover distribution, and have made contributions prior to January 1, 1987, those amounts may lose a grandfathered status that can impact future required distributions. However, movement of funds from your VALIC 403(b) account to another 403(b) account via a transfer distribution may retain the status. For more information, please call 1-800-448-2542.

ROLLOVER/TRANSFER

Rollover Distributions: If you have met a distribute event on your eligible account(s) or plan you may roll directly to an eligible retirement plan with another carrier. The distribution will not be taxed but will be reported to the IRS. Rollover amounts due to a distributable event generally can remain free of withdrawal restrictions after moving to the receiving plan, unless the receiving plan applies restrictions to rollover amounts.

Transfers: Transfers to a like plan will not be taxed or reported to the IRS. Generally, transfers are allowed regardless of employment status. However, your employer's plan may restrict you to authorized carriers. Transferred amounts generally become subject to the requirements of the plan receiving the transfer as though originally contributed to that plan. Exchanges of Non-Qualified Deferred Annuities are not taxed but will be reported to the IRS.

EXAMPLES OF SOME POSSIBLE DIFFERENCES IN PLAN RESTRICTIONS

- The new plan may require spousal consent or plan administrator approval for distributions.
- The new plan may restrict distributions.
- Distributions from a governmental 457(b) deferred compensation plan are generally not subject to the 10% premature withdrawal penalty regardless of your age at the time of the distribution. If you roll amounts from your governmental 457(b) deferred compensation plan to another plan that is not a governmental 457(b) deferred compensation plan, or into an IRA, any subsequent distributions may be subject to a 10% premature withdrawal penalty.
- Eligible rollovers into a governmental 457(b) deferred compensation plan that were previously subject to a 10% premature withdrawal penalty will continue to be subject to that penalty at the time of withdrawal unless you are over age 59½ or some other exception applies.

ELIGIBLE ROLLOVER DISTRIBUTIONS PAID DIRECTLY TO YOU

You can request that we pay you directly. Except for IRA distributions, when we pay you directly, federal law requires us to withhold 20% for federal income taxes.

If a distribution is paid directly to you, you may subsequently roll over any pre-tax contributions to another employer-sponsored plan or to an IRA within 60 days. Any distributions of after-tax contributions paid directly to you may not be rolled over to another employer-sponsored plan. However, they may subsequently be rolled over to an IRA within 60 days.

If your eligible rollover distribution is paid directly to you and not rolled over (including any amount withheld), the distribution will be taxable to you in the year you receive it. The distribution will not be taxable to the extent you roll other funds to replace the amount distributed and the amount withheld.



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Information (continued)

AMOUNTS NOT ELIGIBLE FOR ROLLOVER

Some amounts not eligible for rollover include these: amounts paid to non-spousal beneficiaries, amounts paid from a non-qualified (after-tax) annuity that is not part of your employer's plan, financial hardship withdrawals, required minimum distributions, deemed distributions due to loan default, and amounts paid from certain deferred compensation plans.

If you direct us to pay the distribution to you, and it is not an eligible rollover distribution, we will apply 10% federal income tax withholding unless you indicate differently.

LOANS

If you request a total surrender of your tax-favored retirement plan account and you have an outstanding loan, the account balance will be reduced by the outstanding loan balance and outstanding loan security will be returned to the account. The offset loan amount will be reported as a taxable distribution and will be taxable to you unless you roll over an equal amount to an employer-sponsored plan or IRA. You may also choose to pay off the outstanding loan balance prior to the surrender by submitting payment in full to the Loan Department.

I understand that coverage provided by the Savings Completion Rider, if applicable, may be affected by this transaction.

10% PENALTY

Unless an exception applies, the IRS may also assess a 10% federal tax penalty for early distributions if you are younger than age 59½.

QUALIFIED JOINT AND SURVIVOR ANNUITY AND QUALIFIED ANNUITY BENEFIT: FOR ERISA PLANS ONLY

This notice should be provided to you at least 30 days, but no more than 90 days, before your proposed distribution date.

If you are married, your retirement plan distributions will be paid to you in the form of a Qualified Joint and Survivor Annuity ("QJSA") unless you elect a different form of distribution. Under your QJSA, if your spouse survives you, the plan will pay him or her at least 50% of the amount the plan had been paying to you, on the same frequency as the payments to you. If you are not married, your benefit will be paid monthly over your life and will end upon your death unless you elect a different form of distribution. This benefit is referred to as a Qualified Annuity Benefit ("QAB").

The plan may satisfy the QJSA or QAB by using your vested account balance to purchase an annuity contract from an insurance company. The actual monthly payments made under the annuity contract will depend on the value of your account balance, annuity purchase rates used by the insurance company, your age, and if you are married, your spouse's age at the time the distribution begins.

The following table reflects the relative values of monthly payments from a Joint and Survivor Annuity and a Life Annuity, assuming a vested account balance of \$5,000 and an interest rate of 6%. This table is based on the UP-1984 Mortality tables. **The table is hypothetical and does not reflect the value of your individual benefit or the actual payments you or your beneficiaries would receive.** Please note that as the ages change, the payment amount will change. If none of the examples closely approximates your situation, you may obtain a more accurate value specific to your situation from your plan administrator or from your financial advisor.

Age at Benefit Starting Date

Annuitant	70	65	60	55	50	45	40	35
Spouse	65	70	55	60	45	50	35	40

Monthly Payment

Annuitant Life Only	51.71	44.59	39.32	35.48	32.65	30.53	28.95	27.78
Joint and 50% Survivor	44.08	41.27	35.11	33.49	30.28	29.33	27.61	27.06

This QJSA or QAB requirement may not apply to smaller account balances (generally below \$5,000) and will not apply if you have elected another form of benefit. A partial withdrawal would be considered another form of benefit for this purpose. Other alternate forms of benefits that may be available under your employer's plan and under your plan investments may include:

Annuity

An annuity can provide you with payments for your life or for your life and that of your beneficiary; payments for a specified period; payments for your lifetime with a minimum guaranteed period; or a continuation of payments to your surviving spouse that is different from the plan's percentage of the payments made to you. Generally, the more that the form of payment guarantees, such as a minimum period of payments, or payments to your surviving spouse or to another beneficiary, the more that specified benefit amount will cost. There are IRS rules that may limit the period during which payments may be made.

Lump Sum Distribution

If you elect a lump sum distribution, your benefit will be paid to you in one payment. The amount of your benefit is the vested portion of your account balance as of the valuation date used to calculate your distribution.

Installments

If you elect to receive your benefits in installments, you may specify the dollar amount and frequency of your payments. The period of time over which you receive these installments cannot be greater than your life expectancy or the joint life and last survivor expectancy of you and your designated beneficiary. There are other IRS rules that may further limit the period over which you receive payments.

In order to elect one of these alternative forms of benefits you must waive your right to the QJSA or QAB, and if you are married, your spouse must also consent in writing. In addition, this written consent must be witnessed by a Notary Public or by your Plan Administrator. You are entitled to 30 days (but no more than 90 days) within which to make this decision. Although you have at least 30 days to make this decision, under some circumstances, you may waive this minimum 30-day period, and if you submit a waiver of the QJSA or QAB less than 30 days after it is signed we will assume that you are waiving this notice period. Unless a waiver of the QJSA or QAB is made irrevocably, you have the right to revoke the waiver and execute another waiver at a later time, up to the time when the benefit payments have started. You also have the right to defer receiving a distribution, subject to the terms of your employer's plan as well as legal requirements that generally require distributions to commence upon the later of attainment of age 70½ or retirement.

VALIC MAILING ADDRESS

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