

State: Arkansas **Filing Company:** Penn Insurance and Annuity Company
TOI/Sub-TOI: A10 Annuities - Other/A10.000 Annuities - Other
Product Name: IRS Endorsment 2012 - PIA
Project Name/Number: IRS Endorsment 2012 - PIA/IRS Endorsement 2012 - PIA

Filing at a Glance

Company: Penn Insurance and Annuity Company
Product Name: IRS Endorsment 2012 - PIA
State: Arkansas
TOI: A10 Annuities - Other
Sub-TOI: A10.000 Annuities - Other
Filing Type: Form
Date Submitted: 10/18/2012
SERFF Tr Num: PNMU-128725927
SERFF Status: Closed-Approved-Closed
State Tr Num:
State Status: Approved-Closed
Co Tr Num: IRS ENDORSEMENT 2012 - PIA

Implementation: On Approval
Date Requested:
Author(s): Nancy Yannuzzi, Rita Bellew
Reviewer(s): Linda Bird (primary)
Disposition Date: 10/23/2012
Disposition Status: Approved-Closed
Implementation Date:

State Filing Description:

State: Arkansas **Filing Company:** Penn Insurance and Annuity Company
TOI/Sub-TOI: A10 Annuities - Other/A10.000 Annuities - Other
Product Name: IRS Endorsment 2012 - PIA
Project Name/Number: IRS Endorsment 2012 - PIA/IRS Endorsement 2012 - PIA

General Information

Project Name: IRS Endorsment 2012 - PIA Status of Filing in Domicile: Pending
 Project Number: IRS Endorsement 2012 - PIA Date Approved in Domicile:
 Requested Filing Mode: Review & Approval Domicile Status Comments:
 Explanation for Combination/Other: Market Type: Individual
 Submission Type: New Submission Individual Market Type:
 Overall Rate Impact: Filing Status Changed: 10/23/2012
 State Status Changed: 10/23/2012
 Deemer Date: Created By: Rita Bellew
 Submitted By: Rita Bellew Corresponding Filing Tracking Number: IRS Endorsment 2012
 - PIA

Filing Description:

The Penn Insurance and Annuity Company is submitting the following forms for your review and approval:

Form # / Title / Replaced

PI 1534-12 / Endorsement - Individual Retirement Annuity / PI 1534-02

Endorsements PI 1534-12 will be included at issue with our Individual Deferred Annuity contracts in the Penn Insurance and Annuity portfolio. It will be issued when a contract is issued under section 408 of the Internal Revenue Code. Endorsement PI 1534-12 will also be sent to our existing individual retirement annuity contractholders.

In compliance with the Pension Protection Act of 2006, the Tax Relief, Unemployment Insurance Reauthorization, Job Creation Act of 2010 and other tax law changes, we have incorporated these changes into the above endorsement.

Enclosed is a copy of the opinion letter we received from the Internal Revenue Service dated August 21, 2012 regarding the acceptance of this endorsement.

Company and Contact

Filing Contact Information

Rita Bellew, State Filing Coordinator bellew.rita@pennmutual.com
 VIM C3G 215-956-8290 [Phone]
 Philadelphia, PA 19172 215-956-8145 [FAX]

Filing Company Information

Penn Insurance and Annuity Company	CoCode: 93262	State of Domicile: Delaware
VIM C3G	Group Code: 850	Company Type: Life and Annuity
Philadelphia, PA 19172	Group Name: Penn Mutual Life Ins. Co.	State ID Number:
(215) 956-8893 ext. [Phone]	FEIN Number: 23-2142731	

Filing Fees

State: Arkansas **Filing Company:** Penn Insurance and Annuity Company
TOI/Sub-TOI: A10 Annuities - Other/A10.000 Annuities - Other
Product Name: IRS Endorsment 2012 - PIA
Project Name/Number: IRS Endorsment 2012 - PIA/IRS Endorsement 2012 - PIA

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: 50.00 for endorsement
Per Company: No

Company	Amount	Date Processed	Transaction #
Penn Insurance and Annuity Company	\$50.00	10/18/2012	64053087

SERFF Tracking #:

PNMU-128725927

State Tracking #:

Company Tracking #:

IRS ENDORSEMENT 2012 - PIA

State:

Arkansas

Filing Company:

Penn Insurance and Annuity Company

TOI/Sub-TOI:

A10 Annuities - Other/A10.000 Annuities - Other

Product Name:

IRS Endorsment 2012 - PIA

Project Name/Number:

IRS Endorsment 2012 - PIA/IRS Endorsement 2012 - PIA

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	10/23/2012	10/23/2012

State: Arkansas
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Filing Company: Penn Insurance and Annuity Company

Disposition

Disposition Date: 10/23/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Life & Annuity - Acturial Memo		No
Supporting Document	2012 PIA Opinion Letter		Yes
Form	Endorsement - Traditional Individual Retirement Annuity		Yes

State: Arkansas
TOI/Sub-TOI: A10 Annuities - Other/A10.000 Annuities - Other
Product Name: IRS Endorsment 2012 - PIA
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Filing Company: Penn Insurance and Annuity Company

Form Schedule

Lead Form Number: PI 1534-12

Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/Action Specific Data	Readability Score	Attachments
1		PI 1534-12	POLA	Endorsement - Traditional Individual Retirement Annuity	Initial:	50.100	PIA_End._PI_1534-12.pdf

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages

2. Endorsement

Endorsement – Traditional Individual Retirement Annuity (IRA)

The contract is amended as follows:

1. Contract Owner

The definition of Contract Owner is amended by the addition of the following provision:

The contract is established for the exclusive benefit of the Contract Owner or his or her beneficiaries.

The Contract Owner hereby adopts this contract and agrees to be bound by its terms. Penn Insurance and Annuity Company, and each of its affiliates, successors, delegates and assigns, may rely in its dealings with the Contract Owner upon any statements the Contract Owner makes and is not bound to investigate the accuracy or truth of any such statements.

2. Purchase Payments

The following provision is added to the Purchase Payments Section:

There are no fixed Purchase Payments under this contract.

No Purchase Payments under this contract may be made unless this contract is a traditional Individual Retirement Annuity which meets the requirements of section 408(b) of the Internal Revenue Code (“Code”) for the taxable year of the Contract Owner for or during which the Purchase Payment is made. Consequently, no Purchase Payments will be accepted under a SIMPLE IRA plan established by any employer pursuant to section 408(p) of the Code. No transfer or rollover of funds attributable to contributions made by a particular employer under its SIMPLE IRA plan will be accepted from a SIMPLE IRA, that is, an IRA used in conjunction with a SIMPLE IRA plan, prior to the expiration of the 2-year period beginning on the date the Contract Owner first participated in that employer’s SIMPLE IRA plan. If this contract is a Single Premium Immediate Annuity (SPIA), no Purchase Payments will be accepted after the initial Purchase Payment. If the contract is a Single Premium Deferred Annuity, no Purchase Payments will be accepted beyond 12 months from the date of issue.

If this contract is an inherited IRA as defined in section 408(d)(3)(C) of the Code, or with respect to a spouse beneficiary, without regard to subsection (ii)(II) thereof, no Purchase Payments shall be accepted; provided, however, that the Contract Owner may establish this contract as an inherited IRA by transfer from another inherited traditional IRA as beneficiary of the decedent under such traditional IRA, by direct transfer from an “eligible retirement plan” as defined in section 402(c)(8)(B) of the Code as a non-spouse beneficiary of the decedent under such plan in accordance with section 402(c)(11) of the Code, including the requirement that the non-spouse beneficiary be a “designated beneficiary” within the meaning of section 1.401(a)(9)-4 of the Income Tax Regulations, or by rollover from another inherited traditional IRA or “eligible retirement plan” as defined in section 402(c)(8)(B) of the Code as the spouse beneficiary of the decedent under such traditional IRA in accordance with section 408(d)(3) of the Code or such plan in accordance with section 402(c) of the Code.

If this contract is established by the Contract Owner as an inherited IRA, no transfer or rollover contribution as described in this Section 2 may be made after the initial such contribution, unless otherwise permitted by applicable law.

No Purchase Payments will be accepted by this contract in the form of a direct deposit of the Contract Owner’s federal income tax refund.

Purchase Payments must be paid in cash via check by the Contract Owner or via transfer or rollover from an “eligible retirement plan” as defined in section 402(c)(8)(B) of the Code, and comply with any one of the following conditions:

- (a) Purchase Payments must meet the requirements for deduction under section 219 of the Code and must not exceed the lesser of the Contribution Limit or 100% of the Contract Owner’s Compensation includible in gross income for such tax year. The Contribution Limit is \$5,000 for tax years beginning in 2010 and 2011. The Contribution Limit will be adjusted by the Secretary of the Treasury to reflect cost-of-living increases in accordance with section 219(b)(5)(D) of the Code. Any adjustments will be in multiples of \$500. If the Contract Owner is age 50 or over by the end of the taxable year, the Contribution Limit for such taxable year shall be increased by \$1,000.
 - (i) in the case of a traditional Individual Retirement Annuity established by the Contract Owner for the Contract Owner’s spouse, the maximum Purchase Payment per year for the Contract Owner’s spouse shall not exceed the Contribution Limit, provided that the combined contributions of the Contract Owner and the Contract Owner’s spouse do not exceed the combined Compensation of the Contract Owner and the Contract Owner’s spouse, and the Contract Owner and the Contract Owner’s spouse file a joint tax return;
 - (ii) in the case of a traditional Individual Retirement Annuity that accepts contributions under a simplified employee pension plan (SEP) as defined in section 408(k) of the Code, the maximum Purchase Payment per year shall be equal to the lesser of
 - (A) 25% of the Contract Owner’s compensation not in excess of \$245,000 (as adjusted for increases in the cost-of-living in accordance with section 401(a)(17)(B) of the Code), or
 - (B) \$49,000 (as adjusted for increases in the cost-of-living in accordance with section 415(d) of the Code).For purposes of the 25% limitation described in (A) above compensation does not include any elective deferral described in section 402(g)(3) of the Code or any amount that is contributed by the employer at the election of the Contract Owner and that is not includible in the Contract Owner’s gross income under section 125, 132(f)(4) or 457 of the Code.
 - (iii) in the case of a traditional Individual Retirement Annuity that accepts contributions under a SEP as defined in section 408(k) of the Code which includes a salary reduction contribution option, the maximum elective deferral per year is equal to the amount permitted under section 402(g) of the Code (as indexed for cost-of-living pursuant to section 402(g) of the Code) taking into account any salary reduction contribution made under a SEP as defined in section 408(k) of the Code, a qualified cash or deferred arrangement as defined in section 401(k) of the Code, a SIMPLE retirement account under section 408(p)(2)(A)(i) the Code or a plan maintained pursuant to section 403(b) of the Code by the Contract Owner’s employer or its affiliate. Notwithstanding the foregoing, if the Contract Owner is age 50 or older by the end of the Contract Owner’s tax year and is restricted from otherwise making any further salary reduction contributions under the SEP, the Contract Owner may make additional salary reduction contributions to the plan in accordance with and subject to the limitations of section 414(v) of the Code and any guidance issued thereunder. The Contract Owner’s total salary reduction contributions cannot exceed his compensation. All retirement plans maintained by the Contract Owner’s employer will be treated as a single plan for purposes of these additional salary reduction contributions. These additional salary reduction contributions are not subject to any other contribution limit and are not taken into account in applying other contribution limits.
- (b) Purchase Payments must be paid with funds which qualify as a rollover contribution under section 402(c), 402(e)(6), 403(a)(4), 403(b)(8), 403(b)(10), 408(d)(3) or 457(e)(16) of the Code.

- (c) In addition to the amounts described in subsections (a) and (b) above, the Contract Owner may make additional Purchase Payments specifically authorized by statute, such as repayments of qualified reservist distributions, repayments of certain plan distributions made on account of a federally declared disaster and certain amounts received in connection with the Exxon Valdez litigation.
- (d) In addition to the amounts described in subsections (a), (b) and (c) above, for taxable years beginning after 2006 and before 2010, the Contribution Limit shall be increased by \$3,000 if the Contract Owner was a participant in a plan under section 401(k) of the Code of a certain employer in bankruptcy described in section 219(b)(5)(C) of the Code. If the Contribution Limit is increased under this subsection (d), the increase in the Contribution Limit in the event the Contract Owner is age 50 or older as described in subsection (a) shall not apply.

Compensation means wages, salaries, professional fees, or other amounts derived from or received for personal services actually rendered (including, but not limited to commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and includes earned income, as defined in section 401(c)(2) of the Code (reduced by the deduction the self-employed individual takes for contributions made to a self-employed retirement plan). For purposes of this definition, section 401(c)(2) of the Code shall be applied as if the term trade or business for purposes of section 1402 of the Code included service described in subsection (c)(6). Compensation does not include amounts derived from or received as earnings or profits from property (including but not limited to interest and dividends) or amounts not includible in gross income (determined without regard to section 112 of the Code). Compensation also does not include any amount received as a pension or annuity or as a deferred compensation. The term "compensation" shall include any amount includible in the Contract Owner's gross income under section 71 of the Code with respect to a divorce or separation instrument described in subsection (A) of section 71(b)(2) of the Code. The term "compensation" also includes any differential wage payments as defined in section 3401(h)(2) of the Code.

Notwithstanding anything in this endorsement to the contrary, any Purchase Payments made under this contract, including contributions described in subsections (a), (b), (c) or (d) above shall be made in the form of payment permitted under Penn Insurance and Annuity Company's administrative policies and procedures and shall be subject to any and all limitations on the number of and aggregate amount of Purchase Payments specified in the contract and to Penn Insurance and Annuity Company's right, as specified in the contract, to prohibit further Purchase Payments.

The Contract Owner understands and agrees that it shall be the Contract Owner's sole responsibility to determine whether any Purchase Payment exceeds the foregoing legal limits or qualifies as a rollover contribution or recharacterization under the Code, or if this contract is an inherited IRA, whether any Purchase Payment qualifies as a transfer or rollover contribution from another inherited traditional IRA or eligible retirement plan. The Contract Owner is solely responsible for determining and requesting a refund from Penn Insurance and Annuity Company of the amount of any excess Purchase Payments and earnings.

The Contract Owner realizes that the Contract Owner is subject to an excise tax on excess Purchase Payments and penalty taxes on premature distributions. In addition, if any prohibited transactions take place, the tax advantages enuring to the Contract Owner will be disqualified.

3. Required Minimum Distributions

Any benefits payable under the Annuity Payments Section or Withdrawal Section are subject to the provisions of this Section 3 below. If this contract is a Single Premium Immediate Annuity (SPIA), any benefit payment selected by the Contract Owner at the time the Single Premium Immediate Annuity (SPIA) was established shall also be subject to the provisions of this Section 3, except as otherwise noted.

Distributions Before Death

The entire interest of the Contract Owner

- (a) will commence to be distributed, no later than the first day of April following the calendar year in which the Contract Owner attains age 70½ (the “required beginning date”). If this contract is a Single Premium Immediate Annuity (SPIA), distribution will have commenced as selected by the Contract Owner at the time the Single Premium Immediate Annuity (SPIA) was established.
- (b) If distributions are made in the form of an annuity on an irrevocable basis (except for acceleration), distributions will commence not later than the required beginning date over the life of the Contract Owner, the lives of the Contract Owner and his or her designated beneficiary, or a period certain not extending beyond the life expectancy of the Contract Owner, or the joint and last survivor expectancy of the Contract Owner and his or her designated beneficiary. Distributions made under this subsection (b) must be made in periodic payments at intervals of no longer than one year and must be either non-increasing or they may increase only as provided in Q&As-1 and -4 of section 1.401(a)(9)-6 of the Income Tax Regulations. In addition, any distribution must satisfy the incidental benefit requirements specified in Q&A-2 of section 1.401(a)(9)-6 of the Income Tax Regulations. If this is an inherited IRA within the meaning of section 408(d)(3)(C) of the Code, or with respect to a spouse beneficiary, without regard to subsection (ii)(II) thereof, this subsection and subsection (a) shall not apply. The distribution periods described in this subsection (b) cannot exceed the periods specified in section 1.401(a)(9)-6 of the Income Tax Regulations. The first required payment can be made as late as April 1 of the year following the year the Contract Owner attains age 70½ and must be the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval.
- (c) Notwithstanding any provisions of this contract to the contrary, the distribution of the Contract Owner’s interest shall be made in accordance with the requirements of section 408(b)(3) of the Code and the regulations thereunder, the provisions of which are herein incorporated by reference. If distributions are not made in the form of an annuity on an irrevocable basis (except for acceleration) then distribution of the interest in the traditional Individual Retirement Annuity (as determined below) must satisfy the requirements of section 408(a)(6) of the Code and the regulations thereunder rather than subsections (a) and (b) above.
- (d) A Contract Owner who is the owner of two or more traditional Individual Retirement Annuities may satisfy the minimum distribution requirements described herein by taking from one traditional Individual Retirement Annuity the amount required to satisfy the requirements for another in accordance with Q&A-9 of section 1.408-8 of the Income Tax Regulations, as long as the Individual Retirement Annuities considered have not begun payments in the form of an annuity.

Distributions Upon Death

Death On or After Required Minimum Distributions Commence. If the Contract Owner dies on or after required distributions commence, the remaining portion of such interest will be distributed in accordance with Q&A-5 of section 1.401(a)(9)-5 of the Income Tax Regulations or the contract option chosen, as applicable.

Death Before Required Minimum Distributions Commence. If the Contract Owner dies before required distributions commence, his or her entire interest will be distributed pursuant to the Contract Owner’s prior election for payments to his or her beneficiary or beneficiaries, or if no such prior election is made, pursuant to the beneficiary’s or beneficiaries’ payment election, at least as rapidly in accordance with the following:

- (a) If the designated beneficiary is someone other than the Contract Owner's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Contract Owner's death, over the remaining life expectancy of the designated beneficiary, with such life expectancy determined using the age of the beneficiary as of his or her birthday in the year following the year of the Contract Owner's death, or, if elected, in accordance with subsection (d) below. If this is an inherited IRA within the meaning of section 408(d)(3)(C) of the Code established for the benefit of a non-spouse designated beneficiary by a direct trustee-to-trustee transfer from an "eligible retirement plan," as defined in section 402(c)(8)(B) of the Code of a deceased individual under section 402(c)(11) of the Code, then, notwithstanding any election made by the deceased individual pursuant to the preceding sentence, the non-spouse designated beneficiary may elect to have distributions made under this subsection (a) if the transfer is made no later than the end of the year following the year of death.
- (b) If the Contract Owner's sole designated beneficiary is the Contract Owner's surviving spouse, the entire interest will be distributed, starting by the end of the calendar year following the calendar year of the Contract Owner's death (or by the end of the calendar year in which the Contract Owner would have attained age 70½, if later), over such spouse's life expectancy, or, if elected, in accordance with subsection (d) below. If the surviving spouse dies before required distributions commence to him or her, the remaining interest will be distributed, starting by the end of the calendar year following the calendar year of the spouse's death, over the spouse's designated beneficiary's remaining life expectancy determined using such beneficiary's age as of his or her birthday in the year following the death of the spouse, or, if elected, will be distributed in accordance with subsection (d) below. If the surviving spouse dies after required distributions commence to him or her, any remaining interest will continue to be distributed under the contract option chosen.
- (c) If the sole designated beneficiary is the Contract Owner's surviving spouse, the spouse may elect to treat the traditional Individual Retirement Annuity as his or her own traditional Individual Retirement Annuity. This election will be deemed to have been made if such surviving spouse makes a contribution to the traditional Individual Retirement Annuity or fails to take required distributions as a beneficiary.
- (d) If there is no designated beneficiary, or if applicable by operation of subsection (a) or (b) above, the entire interest will be distributed by the end of the calendar year containing the fifth anniversary of the Contract Owner's death (or of the spouse's death in the case of the surviving spouse's death before distributions are required to begin under subsection (b) above).
- (e) Life expectancy is determined using the Single Life Table in Q&A-1 of section 1.401(a)(9)-9 of the Income Tax Regulations. If distributions are being made to a surviving spouse as the sole designated beneficiary, such spouse's remaining life expectancy for a year is the number in the Single Life Table corresponding to such spouse's age in the year. In all other cases, remaining life expectancy for a year is the number in the Single Life Table corresponding to the surviving spouse's age in the year specified in subsection (a) or (b) and reduced by one for each subsequent year.
- (f) The required minimum distributions payable to a designated beneficiary from this contract may be withdrawn from another traditional Individual Retirement Annuity or Account the beneficiary holds from the same deceased individual in accordance with Q&A-9 of section 1.408-8 of the Income Tax Regulation.

If this contract is a Single Premium Immediate Annuity (SPIA), the provisions of subsections (a) through (f) under the section entitled "Death Before Required Minimum Distributions Commence" of this Section 3 shall not apply.

The "interest" in the traditional Individual Retirement Annuity includes the amount of any outstanding rollover, transfer and recharacterization under Q&As-7 and -8 of section 1.408-8 of the Income Tax Regulations and the actuarial value of any other benefits provided under the traditional Individual Retirement Annuity, such as guaranteed death benefits.

Required distributions are considered to commence on the Contract Owner's required beginning date or, if applicable, on the date distributions are required to begin to the surviving spouse under subsection (b) above. However, if distributions start prior to the applicable date in the preceding sentence, on an irrevocable basis (except for acceleration) under an annuity contract meeting the requirements of section 1.401(a)(9)-6 of the Income Tax Regulations, then required distributions are considered to commence on the annuity starting date.

If this contract is an inherited IRA that holds amounts rolled over or transferred from another inherited traditional IRA or an "eligible retirement plan" as defined in section 402(c)(8)(B) of the Code, the term "Contract Owner" as used in the section entitled "Distributions upon Death" under this Section 3, shall refer to the decedent of the other inherited IRA or "eligible retirement plan" from which the rollover or transfer was made (the "Decedent") and the term "beneficiary" shall refer to the Contract Owner. For purposes of calculating minimum distributions for any successor beneficiary who has an interest in this contract upon the death of the Decedent's original beneficiary or the death of a beneficiary designated by another beneficiary, the remaining life expectancy of the Decedent's original beneficiary shall be used, unless the original beneficiary is the Decedent's surviving spouse and sole beneficiary, in which case, the life expectancy of the successor beneficiary designated by the Decedent's surviving spouse shall be used to calculate the minimum distributions to the extent the requirements of section 401(a)(9)(B)(iv) of the Code are satisfied. In addition, any minimum distribution shall also satisfy the requirements set forth in IRS Notice 2007-7 applicable to required minimum distributions from inherited IRAs and any other applicable guidance.

Except as required by the Commissioner of Internal Revenue, it shall be the responsibility of the Contract Owner or designated beneficiary to determine the dollar amount or amounts of the distribution or distributions he or she wishes in accordance with applicable laws and regulations and to inform Penn Insurance and Annuity Company in writing of such determination on a form provided by Penn Insurance and Annuity Company. The Contract Owner and upon the Contract Owner's death, his beneficiary, are solely responsible for determining and requesting from Penn Insurance and Annuity Company the amount of any minimum distribution required under Section 3. Penn Insurance and Annuity Company will have the right to withhold from any distributions from this contract any and all state, local, and Federal taxes as may be required in accordance with applicable law.

If, after the death of the Contract Owner, a beneficiary dies before his or her entire interest in the contract is distributed to him or her, the beneficiary's remaining interest in the contract will be distributed to the successor beneficiary designated by the beneficiary to the extent permitted under the contract and in accordance with the required minimum distribution rules under section 408(a)(6) of the Code and related Income Tax Regulations. If the beneficiary did not designate a successor beneficiary, the beneficiary's remaining interest in the contract will be distributed to the beneficiary's estate to the extent permitted under the contract and in accordance with the required minimum distribution rules under section 408(a)(6) of the Code and related Income Tax Regulations.

Notwithstanding anything to the contrary in this endorsement, in addition to distributions over the Contract Owner's or designated beneficiary's life expectancy (as applicable), or a period no longer than such remaining life expectancy as described therein, a Contract Owner or designated beneficiary may also elect to receive distributions over the Contract Owner's or designated beneficiary's life, over the Contract Owner's or designated beneficiary's life with a period certain feature or any other form of distribution available under the contract that satisfies the required minimum distribution requirements under section 408(b)(3) of the Code and related Income Tax Regulations. In addition, distributions to the Contract Owner or beneficiaries may be subject to restrictions imposed by the Contract Owner to the extent such restrictions are permitted under Penn Insurance and Annuity Company's administrative and operational provisions.

If the Contract Owner has more than one beneficiary, Penn Insurance and Annuity Company may be directed to establish separate accounts on behalf of each beneficiary in accordance with Q&A-2 of section 1.401(a)(9)-8 of the Income Tax Regulations. Any direction to establish separate accounts shall be made in accordance with procedures established by Penn Insurance and Annuity Company.

4. Annuity Payments

In the Annuity Payments Section, the provision entitled "Annuity Date" is changed to read as follows, subject to the minimum distribution requirements of Section 3 above being satisfied by such alternative methods as may from time to time be approved by the Commissioner of Internal Revenue:

The Annuity Date shall be the first day of the month selected by the Annuitant in the application. The Annuity Date shall not be later than the first day of the next month after the Annuitant's 90th birthday or such other date specified in the contract pursuant to state law requirements. The Annuitant may change the Annuity Date up to 30 days prior to the current Annuity Date. This is not applicable if this contract is a Single Premium Immediate Annuity (SPIA).

5. Ownership, Transferability and Forfeitability Restriction

The Annuitant is the Contract Owner. This contract is nontransferable by the Contract Owner and the entire interest of the Contract Owner is nonforfeitable in accordance with sections 408(b)(1) and (4) of the Code.

6. Refund of Purchase Payments

Any refund of purchase payments (other than those attributable to excess contributions) will be applied, before the close of the calendar year following the close of the year of the refund, toward the payment of future Purchase Payments or the purchase of additional benefits. This is not applicable if this contract is a Single Premium Immediate Annuity (SPIA).

7. Amendment of Contract

To the extent necessary to comply with applicable laws and regulations, including the Code and rules and regulations thereunder, Penn Insurance and Annuity Company reserves the right to amend this contract and endorsement without the consent of the Contract Owner. Such amendment may, to the extent necessary, have retroactive effect. Penn Insurance and Annuity Company reserves the right to make all other amendments to the contract, which will become effective upon 30 days written notice to the Contract Owner. The Contract Owner will be given a copy of any such amendments when they are made.

8. Periodic Reports

As required by federal and state law and at least once each calendar year, Penn Insurance and Annuity Company will furnish the Contract Owner with a periodic report on the Separate Account, the Variable Account Value, the number of Accumulation Units, the value per Accumulation Unit and the Fixed Account Value as they apply to the contract. Penn Insurance and Annuity Company will also furnish the Contract Owner with such information concerning required minimum distributions as is prescribed by the Commissioner of the Internal Revenue. If the contributions made on behalf of the Contract Owner are received directly by Penn Insurance and Annuity Company from the Contract Owner's employer, Penn Insurance and Annuity Company will provide the employer with the summary description required by section 408(l)(2)(B) of the Code.

9. Miscellaneous

The terms of this endorsement and any riders shall override any inconsistent or conflicting provisions in the contract and other endorsements. Penn Insurance and Annuity Company is not responsible for any penalties, taxes, judgments or expenses incurred by the Contract Owner in connection with the contract. The Effective Date of this endorsement is the Contract Date.

The Penn Insurance and Annuity Company
Philadelphia, Pennsylvania



Vice President
Product Management

SERFF Tracking #:

PNMU-128725927

State Tracking #:

Company Tracking #:

IRS ENDORSEMENT 2012 - PIA

State:

Arkansas

Filing Company:

Penn Insurance and Annuity Company

TOI/Sub-TOI:

A10 Annuities - Other/A10.000 Annuities - Other

Product Name:

IRS Endorsment 2012 - PIA

Project Name/Number:

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Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification		
Comments:			
Attachment(s):			
Flesch Cert.pdf			

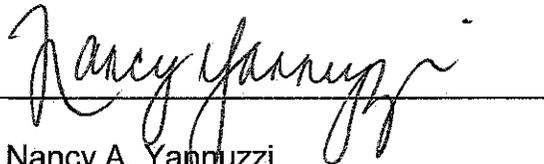
		Item Status:	Status Date:
Satisfied - Item:	2012 PIA Opinion Letter		
Comments:			
Attachment(s):			
IRS opinion Letter for PI-1534-12.pdf			

The Penn Insurance and Annuity Company

CERTIFICATION

"This is to certify that the form listed below is in compliance with the requirements of Ark. Stat. Ann. 66-3251 through 66-3258, cited as the Life and Disability Insurance Policy Language Simplification Act."

<u>Form No.</u>	<u>Title</u>	<u>Flesch Score</u>
PI 1534-12	Endorsement - Individual Retirement Annuity	50.1


Nancy A. Yannuzzi
Sr. Manager of Policy Forms

October 18, 2012



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Plan Name: IRA Annuity Contract IA-94/PI-1534-12
FFN: 50148010000-002 Case: 201201316 EIN: 23-2142731
Letter Serial No: M193486a

PENN INSURANCE & ANNUITY CO
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Contact Person:
* Sherise Dorman
Telephone Number:
(202) 283-9512
In Reference To: SE:T:EP:RA
Date: 08/21/2012

Dear Applicant:

In our opinion, the form of the prototype trust, custodial account or annuity contract/endorsement identified above is acceptable under section 408 of the Internal Revenue Code, as amended through the Small Business Jobs Act of 2010.

Each individual who adopts this approved prototype will be considered to have an IRA that satisfies the requirements of Code section 408, provided the individual follows the terms of the approved prototype, does not engage in certain transactions specified in Code section 408(e), and, if the arrangement is a trust or custodial account, the trustee or custodian is a bank within the meaning of Code section 408(n) or has been approved by the Internal Revenue Service pursuant to Code section 408(a)(2).

Code section 408(i) and related regulations require that the trustee, custodian or issuer of a contract provide a disclosure statement to each adopting individual as specified in the regulations. Publication 590, Individual Retirement Arrangements (IRAs), gives information about the items to be disclosed. The trustee, custodian or issuer of a contract is also required to provide each adopting individual with annual reports of all transactions related to the IRA.

The Internal Revenue Service has not evaluated the merits of this IRA and does not guarantee contributions or investments made under the IRA. Furthermore, this letter does not express any opinion as to the applicability of Code section 4975, regarding prohibited transactions.

This prototype IRA may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the File Folder Number (FFN) shown in the heading of this letter. Please provide those adopting this prototype with your telephone number, and advise them to contact your office if they have any questions about the operation of their IRA. Please provide a copy of this letter to each adopting individual.

You should keep this letter as a permanent record. Please notify us if you terminate sponsorship of this prototype IRA.

Sincerely Yours,

Andrew E. Zuckerman
Director, Employee Plans Rulings and Agreements