

## Vantis Life Insurance Company

200 Day Hill Road, Windsor, CT 06095

P: 1-866-826-8471 ■ www.VantisLife.com

## WITHHOLDING NOTICE INFORMATION

### ♦ BASIC INFORMATION ABOUT WITHHOLDING FROM ANNUITIES

Generally, Federal Income Tax withholding applies to payment made from pension, profit-sharing, stock bonus, annuity and certain deferred compensation plans, IRAs, and commercial annuities.

### ♦ PURPOSE OF FORM W-4P

Unless you elect otherwise, Federal Income Tax will be withheld from payments from annuities. You can use Form W-4P, or a substitute form, such as that contained on the TaxSaver Annuity forms, furnished by the issuer, to instruct your issuer to withhold no tax from your payments (or to revoke this election).

### ♦ PERIODIC PAYMENTS

Periodic payments are treated as wages for the purpose of withholding. A periodic payment is one that is includable in your income for tax purposes and that you receive in installments at regular intervals over a period of more than one (1) full year from starting date of the pension or annuity. The intervals can be annual, quarterly, monthly, etc. You can change the amount of tax to be withheld or exempt the payments from withholding by using Form W-4P. This exemption from withholding does not apply to certain recipients who have payments delivered outside the United States or its possessions.

Unless you tell your payer otherwise, tax must be withheld on periodic payments as if you are married and claiming three (3) withholding allowances.

### ♦ NON-PERIODIC PAYMENTS

Payments from annuities that are payable upon demand are treated as *non-periodic payments* for Federal Income Tax purposes. Generally, non-periodic payments must have income tax withheld at a rate not less than 10%. You can elect to have no income tax withheld from a non-periodic payment by filling out Form W-4P or a substitute form with the issuer and checking the appropriate box on that form. Your election will remain in effect for any subsequent distribution unless you change or revoke it. For more information, please see Publication 505, *Tax Withholding and Estimated Tax*, available from most IRS offices. The taxable amount of your distribution will be reported to the IRS. This is the amount of your distribution minus the cost basis portion of the distribution. Federal law requires VantisLife to withhold 10% unless you elect no withholding on the form. To change or revoke your election, send a completed Form W-4P available at IRS offices, to Vantis Life. You will receive a statement, by January 31 of each year, showing the total taxable amount of your withdrawal and the total income tax withheld, if any.

**Caution: Remember that there are penalties for not paying enough tax during the year, through either withholding or estimated tax payments. New retirees should see Publication 505. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld using Form W-4P.**

### ♦ REVOKING THE EXEMPTION FROM WITHHOLDING

If you want to revoke your previously filed exemption from withholding, file another Form W-4P with the issuer and check the appropriate box on that form.