

# Annuitization Option Form for Variable Annuity Contracts



Please return the completed form by mail or fax to:

Sun Life Financial  
 P.O. Box 9133  
 Wellesley Hills MA 02481  
 Toll-Free Phone: 1-877-281-3028  
 Fax: (781) 416-3972

Please check one only.

**You can use this form to accomplish either of the following options:**

- I do not want to annuitize at this time. Defer my annuity commencement date as noted in Section 2 below. (Complete Sections 1, 2 and 5 only)
- I wish to make an annuitization payout election.

**Please note:**

- **This payout election is irrevocable. Once annuity payments begin, the annuity option cannot be changed and no lump sum settlement option or cash withdrawals are permitted unless specified otherwise.**
- **This form must be received in good order at least 30 days prior to the annuity commencement date, otherwise the annuity commencement date will be moved to the first business day of the second calendar month following our receipt of this form in good order.**
- **If you have a Guaranteed Living Benefit Rider (Secured Returns), and choose to annuitize your account, the Guaranteed Living Benefit Rider will be revoked, as it is not allowed after annuitization.**
- **Payments will be issued on the second business day of the month.**

## 1. Contract Information

Please PRINT clearly.

Sun Life Assurance Company of Canada (U.S.) <sup>1</sup> Contract Number		
Participant(s)/Owner(s) Name (Last, First, Middle Initial)		
Annuitant Name (Last, First, Middle Initial) (if different than owner)		Social Security Number 
Address (Number and Street)		Telephone Number
City	State	Zip Code

## 2. Defer Annuity Commencement Date

Please complete this section ONLY if you plan to defer your annuitization and have not reached your maximum annuity commencement date.

Defer my annuity commencement date to:

Month	Year
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- The maximum annuity commencement age cannot exceed the Annuitant's 95th birthday.
- The maximum annuity commencement date for an IRS tax qualified plan may be subject to plan restrictions.

<sup>1</sup> Sun Life Assurance Company of Canada (U. S.) is a member of the Sun Life Financial group of companies.

### 3. Payout Instructions

#### Annuity Payment Method:

Please check one only.  Fixed<sup>1</sup>  Variable (For combination Fixed/Variable annuities only)

#### Annuity Payment Frequency:

Please check one only.  Monthly  Quarterly  Semi-Annually  Annually

#### Annuity Payment Option:

**Note:** Before choosing a Payment Option below, please refer to the Annuity Settlement Options Summary for all product and annuitization restrictions.

Please check one only.

- A.  Life Annuity  
 B.  Life Annuity with Guaranteed Period (5, 10, 15, 20 years): \_\_\_\_\_  
 C.  Joint and Survivor Annuity:

**Please choose one from the following combinations:**

- Joint and Survivor Annuity  
 Joint and 50% Survivor  
 Joint and Full Survivor with Period Certain (5, 10, 15, 20 Years): \_\_\_\_\_  
 Joint and 50% Survivor with Period Certain (5, 10, 15, 20 Years): \_\_\_\_\_

- D.  Period Certain (5 - 30 Years): \_\_\_\_\_

<sup>1</sup> If funds are currently in a variable series, by choosing the fixed payment method, you are giving your approval to exchange funds into the fixed series. The exchange will take place on the last business day of the month prior to the month annuitization will begin.

### 4. Joint Annuitant Information

Complete this section for options C ONLY:

Please attach a copy of the birth certificate, driver's license, or passport of the Joint Annuitant.

Joint Annuitant's Name (Last, First, Middle Initial)		Social Security Number 
Address (Number and Street)		Date of Birth (m/d/y)
City	State	Zip Code
Relationship to Annuitant	Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female	

### 5. Signature

Additional documentation may be required if a plan trustee or fiduciary is signing this form.

Participant/Owner Signature X	Date (m/d/y)
Annuitant(s) Signature X	Date (m/d/y)

**Note:** If you would like your annuity payments deposited directly into your bank account, please complete and return the enclosed form.

# Annuity Settlement Option Summary (Variable Annuity Contracts)



## Option A: Life Annuity

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You, as the annuitant, are guaranteed to receive payments either monthly, quarterly, semi-annually or annually for as long as you live. After your death, no further payments will be made.

**Birth certificate or other proof of age of the Annuitant is required, and must accompany this form.**

## Option B: Life Annuity with Guaranteed Period Certain

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Payments are guaranteed through the later of either the death of the annuitant, or the end of the guaranteed period. For example, if you are age 65 and elect a Life Annuity with a 10-Year Period Certain, you will receive payments as long as you live. Should you die at age 66, your beneficiary(ies) may elect to continue the remaining payments until the end of the 10-Year period or receive the present value of the remaining payments in a lump sum.

**Birth certificate or other proof of age of the Annuitant is required, and must accompany this form.**

## Option C: Joint and Survivor Annuity

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We will make annuity payments for as long as both Annuitants are alive. At the death of the first Annuitant, we will make annuity payments to the surviving Annuitant for as long as the surviving Annuitant is alive. Annuity payments will cease upon the surviving Annuitant's death.

**Birth certificate or other proof of age for each Annuitant is required, and must accompany this form.**

## Option D: Period Certain

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You, as the annuitant are guaranteed that payments will be made for a specified time. If you live beyond that time, payments cease at the end of the period. If you die before, then your beneficiary(ies) may elect to continue to receive the remaining payments or receive the present value of the remaining payments in a lump sum. The period may not exceed the Annuitant's 105th birthday.

- **5 - 9 year period certain not available during the first 4 years of the contract for:**
  - Masters Flex, Masters IV, Regatta Flex 4, Regatta Flex II, All-Star, Futurity Select 4 and Futurity Select 4 Plus
- **5 - 9 year period certain not available during the first 7 years of the contract for:**
  - Masters Choice, Masters VII, Regatta Choice II, All-Star Traditions, Futurity III and Futurity Select 7
- **5 - 9 year period certain not available. Annuitization is not allowed until after the first contract anniversary for:**
  - Masters Extra, Regatta Extra, All-Star Extra, Futurity Accolade and Futurity Select Incentive.

# Beneficiary Designation Form



Please return the completed form by mail or fax to:

Sun Life Financial  
Payout Services Department  
P.O. Box 9133  
Wellesley Hills, MA 02481

Tel: (877) 281-3028  
Fax: (781) 304-5383  
payout.services@sunlife.com

## 1 Contract Information

Please PRINT clearly.

Sun Life Assurance Company of Canada (U.S.) <sup>1</sup> Contract Number	
Annuitant Name (Last, First, Middle Initial)	Social Security Number 

Subject to the rights of present assignees of record, if any, and in accordance with the terms of the policy indicated above, I elect to make the following beneficiary designations below.

## 2 Beneficiary Instructions

Please PRINT clearly.

Unless otherwise indicated, all named beneficiaries will be considered primary beneficiaries and any death benefit will be allocated proportionally. All percentages must be whole numbers and total 100%

Please check this box and attach an additional form for additional beneficiaries.

**NOTE:** Sun Life financial does not allow for "Per Stirpes" beneficiary designations.

Name (Last, First, Middle Initial)			<input type="checkbox"/> Primary <input type="checkbox"/> Contingent
Percentage %	Gender <input type="checkbox"/> M <input type="checkbox"/> F	Relationship	Social Security Number 
Address (Number and Street)			Date of Birth (m/d/y)
City	State	Zip Code	
Name (Last, First, Middle Initial)			<input type="checkbox"/> Primary <input type="checkbox"/> Contingent
Percentage %	Gender <input type="checkbox"/> M <input type="checkbox"/> F	Relationship	Social Security Number 
Address (Number and Street)			Date of Birth (m/d/y)
City	State	Zip Code	

## 3 Signature

If no primary or contingent beneficiaries survives me, any death benefits which may become payable are to be paid to my Estate.

The above designation(s) revokes any and all previous beneficiary designations under this Contract.

Contract Owner's Signature	Date (m/d/y)
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1. Sun Life Assurance Company of Canada (U.S.) is a member of the Sun Life Financial group of companies.

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# Direct Deposit Authorization Form



Please return the completed form by mail or fax to:

Sun Life Financial  
P.O. Box 9133  
Wellesley Hills MA 02481  
Fax: (781) 416-3972

Sun Life Financial (Sun Life) is always looking for ways to provide their customers with improved service. One way we provide a high level of service is by depositing payments directly into the bank of each customer. Direct Deposit means your payment is electronically transferred into your bank account. To initiate direct deposit service, just complete the information on this form and return it to the address provided above. Please call us at 1-877-281-3028 with any questions.

## 1. Annuitant Information

Please PRINT clearly.

Sun Life Assurance Company of Canada (U.S.) <sup>1</sup> Contract Number		
Annuitant Name (Last, First, Middle Initial)		Social Security Number 
Address (Number and Street)		Telephone Number
City	State	Zip Code

## 2. Bank Information

Please PRINT clearly.

Please attach a blank voided check.

Bank Name		Telephone Number
Address (Number and Street)		
City	State	Zip Code
Type of Account ( <b>Check one only</b> )	<input type="checkbox"/> Checking <input type="checkbox"/> Savings	
Bank Account Number	Bank Routing Number	

## 3. Signature

If you are signing on behalf of the Annuitant, please attach a certified copy of the Power of Attorney.

As the individual entitled to receive payments under the account designated above, I authorize Sun Life to make all payments due to me under the above contract by depositing the funds directly to the bank account designated above as each payment becomes due. To correct any overpayment(s) credited to my account during or after my lifetime, I authorize and direct the bank designated above to debit my account and refund such overpayment(s) to Sun Life.

Signature of Annuitant X	Date (m/d/y)
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<sup>1</sup> Sun Life Assurance Company of Canada (U. S.) is a member of the Sun Life Financial group of companies.  
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**Purpose.** Form W-4P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W-4P to tell payers the correct amount of federal income tax to withhold from your payment(s). You also may use Form W-4P to choose (a) not to have any federal income tax withheld from the payment (except for eligible rollover distributions, or payments to U.S. citizens delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution, as explained on

pages 3 and 4. Your previously filed Form W-4P will remain in effect if you do not file a Form W-4P for 2009.

**What do I need to do?** Complete lines **A** through **G** of the **Personal Allowances Worksheet**. Use the additional worksheets on page 2 to further adjust your withholding allowances for itemized deductions, adjustments to income, certain credits, or multiple pensions/more-than-one-income situations. If you do not want any federal income tax withheld (see *Purpose* above), you can skip the worksheets and go directly to the Form W-4P below.

**Sign this form.** Form W-4P is not valid unless you sign it.

**Personal Allowances Worksheet** (Keep for your records.)

**A** Enter "1" for **yourself** if no one else can claim you as a dependent . . . . . **A** \_\_\_\_\_

**B** Enter "1" if:   
 { • You are single and have only one pension; or   
 • You are married, have only one pension, and your spouse has no income subject to withholding; or   
 • Your income from a second pension or a job, or your spouse's pension or wages (or the total of all) is \$1,500 or less. } . . . . . **B** \_\_\_\_\_

**C** Enter "1" for your **spouse**. But, you may choose to enter "-0-" if you are married and have either a spouse who has income subject to withholding or you have more than one source of income subject to withholding. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . . **C** \_\_\_\_\_

**D** Enter number of **dependents** (other than your spouse or yourself) you will claim on your tax return . . . . . **D** \_\_\_\_\_

**E** Enter "1" if you will file as **head of household** on your tax return . . . . . **E** \_\_\_\_\_

**F Child Tax Credit** (including additional child tax credit):   
 • If your total income will be less than \$61,000 (\$90,000 if married), enter "2" for each eligible child; then **less** "1" if you have three or more eligible children.   
 • If your total income will be between \$61,000 and \$84,000 (\$90,000 and \$119,000 if married), enter "1" for each eligible child plus "1" **additional** if you have six or more eligible children . . . . . **F** \_\_\_\_\_

**G** Add lines A through F and enter total here. (**Note.** *This may be different from the number of exemptions you claim on your tax return.*) . . . . . **G** \_\_\_\_\_

For accuracy, complete all worksheets that apply.   
 { • If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.   
 • If you have more than one source of income subject to withholding or a spouse with income subject to withholding **and** your combined income from all sources exceeds \$40,000 (\$25,000 if married), see the **Multiple Pensions/More-Than-One-Income Worksheet** on page 2 to avoid having too little tax withheld.   
 • If **neither** of the above situations applies, **stop here** and enter the number from line G on line 2 of Form W-4P below.

----- Cut here and give Form W-4P to the payer of your pension or annuity. Keep the top part for your records. -----

Type or print your first name and middle initial.	Last name	Your social security number
Home address (number and street or rural route)		Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code		

**Complete the following applicable lines.**

**1** Check here if you **do not want any** federal income tax withheld from your pension or annuity. (Do not complete lines 2 or 3.) ►

**2** Total number of allowances and marital status you are claiming for withholding from each **periodic** pension or annuity payment. (You may also designate an additional dollar amount on line 3.) . . . . . ► \_\_\_\_\_

**Marital status:**  Single  Married  Married, but withhold at higher "Single" rate (Enter number of allowances.)

**3** Additional amount, if any, you want withheld from each pension or annuity payment. (**Note.** *For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2.*) . . . . . ► \$ \_\_\_\_\_

Your signature ► \_\_\_\_\_

Date ► \_\_\_\_\_

### Deductions and Adjustments Worksheet

**Note.** Use this worksheet **only** if you plan to itemize deductions, claim certain credits, adjustments to income, or an additional standard deduction.

<b>1</b>	Enter an estimate of your 2009 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes, medical expenses in excess of 7.5% of your income, and miscellaneous deductions. (For 2009, you may have to reduce your itemized deductions if your income is over \$166,800 (\$83,400 if married filing separately). See <i>Worksheet 2</i> in Pub. 919 for details.) . . .	<b>1</b>	\$ _____					
<b>2</b>	Enter: <table style="display: inline-table; vertical-align: middle; border: none;"> <tr> <td style="font-size: 3em; vertical-align: middle;">{</td> <td style="padding: 0 10px;">\$11,400 if married filing jointly or qualifying widow(er)</td> <td rowspan="3" style="font-size: 3em; vertical-align: middle;">}</td> </tr> <tr> <td>\$ 8,350 if head of household</td> </tr> <tr> <td>\$ 5,700 if single or married filing separately</td> </tr> </table> . . . . .	{	\$11,400 if married filing jointly or qualifying widow(er)	}	\$ 8,350 if head of household	\$ 5,700 if single or married filing separately	<b>2</b>	\$ _____
{	\$11,400 if married filing jointly or qualifying widow(er)	}						
\$ 8,350 if head of household								
\$ 5,700 if single or married filing separately								
<b>3</b>	<b>Subtract</b> line 2 from line 1. If zero or less, enter “-0-” . . . . .	<b>3</b>	\$ _____					
<b>4</b>	Enter an estimate of your 2009 adjustments to income and any additional standard deduction. (See Pub. 919) . . . . .	<b>4</b>	\$ _____					
<b>5</b>	<b>Add</b> lines 3 and 4 and enter the total. (Include any credit amounts from <i>Worksheet 8</i> in Pub. 919.) . . . . .	<b>5</b>	\$ _____					
<b>6</b>	Enter an estimate of your 2009 income not subject to withholding (such as dividends or interest) . . . . .	<b>6</b>	\$ _____					
<b>7</b>	<b>Subtract</b> line 6 from line 5. If zero or less, enter “-0-” . . . . .	<b>7</b>	\$ _____					
<b>8</b>	<b>Divide</b> the amount on line 7 by \$3,500 and enter the result here. Drop any fraction. . . . .	<b>8</b>	_____					
<b>9</b>	Enter the number from the <b>Personal Allowances Worksheet</b> , line G, page 1 . . . . .	<b>9</b>	_____					
<b>10</b>	<b>Add</b> lines 8 and 9 and enter the total here. If you use the <b>Multiple Pensions/More-Than-One-Income Worksheet</b> , also enter this total on line 1 below. Otherwise, <b>stop here</b> and enter this total on Form W-4P, line 2, page 1 . . . . .	<b>10</b>	_____					

### Multiple Pensions/More-Than-One-Income Worksheet

**Note.** Complete only if the instructions under line G, page 1, direct you here. This applies if you (and your spouse if married filing a joint return) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).

<b>1</b>	Enter the number from line G, page 1 (or from line 10 above if you used the <b>Deductions and Adjustments Worksheet</b> ) . . . . .	<b>1</b>	_____
<b>2</b>	Find the number in <b>Table 1</b> below that applies to the <b>LOWEST</b> paying pension or job and enter it here. <b>However</b> , if you are married filing jointly and the amount from the highest paying pension or job is \$50,000 or less, do not enter more than “3.” . . . . .	<b>2</b>	_____
<b>3</b>	If line 1 is <b>more than or equal to</b> line 2, subtract line 2 from line 1. Enter the result here (if zero, enter “-0-”) and on Form W-4P, line 2, page 1. <b>Do not</b> use the rest of this worksheet. . . . .	<b>3</b>	_____
<b>Note.</b> If line 1 is <b>less than</b> line 2, enter “-0-” on Form W-4P, line 2, page 1. Complete lines 4–9 below to calculate the additional withholding amount necessary to avoid a year-end tax bill.			
<b>4</b>	Enter the number from line 2 of this worksheet . . . . .	<b>4</b>	_____
<b>5</b>	Enter the number from line 1 of this worksheet . . . . .	<b>5</b>	_____
<b>6</b>	<b>Subtract</b> line 5 from line 4. . . . .	<b>6</b>	_____
<b>7</b>	Find the amount in <b>Table 2</b> below that applies to the <b>HIGHEST</b> paying pension or job and enter it here . . . . .	<b>7</b>	\$ _____
<b>8</b>	<b>Multiply</b> line 7 by line 6 and enter the result here. This is the additional annual withholding needed . . . . .	<b>8</b>	\$ _____
<b>9</b>	<b>Divide</b> line 8 by the number of pay periods remaining in 2009. For example, divide by 12 if you are paid every month and you complete this form in December 2008. Enter the result here and on Form W-4P, line 3, page 1. This is the additional amount to be withheld from each payment . . . . .	<b>9</b>	\$ _____

**Table 1**

**Table 2**

Married Filing Jointly		All Others		Married Filing Jointly		All Others	
If wages from <b>LOWEST</b> paying pension or job are—	Enter on line 2 above	If wages from <b>LOWEST</b> paying pension or job are—	Enter on line 2 above	If wages from <b>HIGHEST</b> paying pension or job are—	Enter on line 7 above	If wages from <b>HIGHEST</b> paying pension or job are—	Enter on line 7 above
\$0 - \$4,500	0	\$0 - \$6,000	0	\$0 - \$65,000	\$550	\$0 - \$35,000	\$550
4,501 - 9,000	1	6,001 - 12,000	1	65,001 - 120,000	910	35,001 - 90,000	910
9,001 - 18,000	2	12,001 - 19,000	2	120,001 - 185,000	1,020	90,001 - 165,000	1,020
18,001 - 22,000	3	19,001 - 26,000	3	185,001 - 330,000	1,200	165,001 - 370,000	1,200
22,001 - 26,000	4	26,001 - 35,000	4	330,001 and over	1,280	370,001 and over	1,280
26,001 - 32,000	5	35,001 - 50,000	5				
32,001 - 38,000	6	50,001 - 65,000	6				
38,001 - 46,000	7	65,001 - 80,000	7				
46,001 - 55,000	8	80,001 - 90,000	8				
55,001 - 60,000	9	90,001 - 120,000	9				
60,001 - 65,000	10	120,001 and over	10				
65,001 - 75,000	11						
75,001 - 95,000	12						
95,001 - 105,000	13						
105,001 - 120,000	14						
120,001 and over	15						

## Additional Instructions

*Section references are to the Internal Revenue Code.*

**When should I complete the form?** Complete Form W-4P and give it to the payer as soon as possible. Get Pub. 919, *How Do I Adjust My Tax Withholding*, to see how the dollar amount you are having withheld compares to your projected total federal income tax for 2009. You may also use the Withholding Calculator on the IRS website at [www.irs.gov/individuals](http://www.irs.gov/individuals) for help in determining how many withholding allowances to claim on your Form W-4P.

**Multiple pensions/more than one income.** To figure the number of allowances that you may claim, combine allowances and income subject to withholding from all sources on one worksheet. You may file a Form W-4P with each pension payer, but do not claim the same allowances more than once. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4P for the highest source of income subject to withholding and zero allowances are claimed on the others.

**Other income.** If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES, *Estimated Tax for Individuals*. Call 1-800-TAX-FORM (1-800-829-3676) to get Form 1040-ES and Pub. 505, *Tax Withholding and Estimated Tax*. You can also get forms and publications from the IRS website at [www.irs.gov](http://www.irs.gov).

If you have income from wages, see Pub. 919 to find out if you should adjust your withholding on Form W-4 or Form W-4P.

**Note.** Social security and railroad retirement payments may be includible in income. See Form W-4V, *Voluntary Withholding Request*, for information on voluntary withholding from these payments.

### Withholding From Pensions and Annuities

Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans; from individual retirement arrangements (IRAs); and from commercial annuities. The method and rate of withholding depends on (a) the kind of payment you receive, (b) whether the payments are delivered outside the United States or its commonwealths and possessions, and (c) whether the recipient is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a Roth IRA are nontaxable and, therefore, not subject to withholding. See page 4 for special withholding rules that apply to payments outside the United States and payments to foreign persons.

Because your tax situation may change from year to year, you may want to refigure your withholding each year. You can change the amount to be withheld by using lines 2 and 3 of Form W-4P.

**Choosing not to have income tax withheld.** You (or in the event of death, your beneficiary or estate) can choose not to have federal income tax withheld from your payments by using line 1 of Form W-4P. For an estate, the election to have no income tax withheld may be made by the executor or personal representative of the decedent. Enter the estate's employer identification number (EIN) in the area reserved for "Your social security number" on Form W-4P.

You may not make this choice for eligible rollover distributions. See *Eligible rollover distribution—20% withholding* on page 4.

**Caution.** There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see Pub. 505. It explains your estimated tax requirements and describes penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity using Form W-4P.

**Periodic payments.** Withholding from periodic payments of a pension or annuity is figured in the same manner as withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than 1 year. They may be paid annually, quarterly, monthly, etc.

If you want federal income tax to be withheld, you must designate the number of withholding allowances on line 2 of Form W-4P and indicate your marital status by checking the appropriate box. Under current law, you cannot designate a specific dollar amount to be withheld. However, you can designate an additional amount to be withheld on line 3.

If you do not want any federal income tax withheld from your periodic payments, check the box on line 1 of Form W-4P and submit the form to your payer. However, see *Payments to Foreign Persons and Payments Outside the United States* on page 4.

**Caution.** If you do not submit Form W-4P to your payer, the payer must withhold on periodic payments as if you are married claiming three withholding allowances. Generally, this means that tax will be withheld if your pension or annuity is at least \$1,600 a month.

If you submit a Form W-4P that does not contain your correct taxpayer identification number (TIN), the payer must withhold as if you are single claiming zero withholding allowances even if you choose not to have federal income tax withheld.

There are some kinds of periodic payments for which you cannot use Form W-4P because they are already defined as wages subject to federal income tax withholding. These payments include retirement pay for service in the U.S. Armed Forces and payments from certain nonqualified deferred compensation plans and deferred compensation plans of exempt organizations described in section 457. Your payer should be able to tell you whether Form W-4P applies.

For periodic payments, your Form W-4P stays in effect until you change or revoke it. Your payer must notify you each year of your right to choose not to have federal income tax withheld (if permitted) or to change your choice.

**Nonperiodic payments—10% withholding.** Your payer must withhold at a flat 10% rate from nonperiodic payments (but see *Eligible rollover distribution—20% withholding* on page 4) **unless** you choose not to have federal income tax withheld. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. You can choose not to have federal income tax withheld from a nonperiodic payment (if permitted) by submitting Form W-4P (containing your correct TIN) to your payer and checking the box on line 1. Generally, your choice not to have federal income tax withheld will apply to any later payment from the same plan. You cannot use line 2 for nonperiodic payments. But you may use line 3 to specify an additional amount that you want withheld.

**Caution.** If you submit a Form W-4P that does not contain your correct TIN, the payer cannot honor your request not to have income tax withheld and must withhold 10% of the payment for federal income tax.

**Eligible rollover distribution—20% withholding.**

Distributions you receive from qualified pension or annuity plans (for example, 401(k) pension plans, and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over tax free to an IRA or qualified plan are subject to a flat 20% federal withholding rate. The 20% withholding rate is required, and you cannot choose not to have income tax withheld from eligible rollover distributions. Do not give Form W-4P to your payer unless you want an additional amount withheld. Then, complete line 3 of Form W-4P and submit the form to your payer.

**Note.** The payer will not withhold federal income tax if the entire distribution is transferred by the plan administrator in a direct rollover to a traditional IRA, qualified pension plan, governmental section 457(b) plan (if allowed by the plan), section 403(b) contract, or tax-sheltered annuity.

Distributions that are (a) required by law, (b) one of a specified series of equal payments, or (c) qualifying "hardship" distributions are **not** "eligible rollover distributions" and are not subject to the mandatory 20% federal income tax withholding. See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* on page 3.

**Changing Your "No Withholding" Choice**

**Periodic payments.** If you previously chose not to have federal income tax withheld and you now want withholding, complete another Form W-4P and submit it to your payer. If you want federal income tax withheld at the rate set by law (married with three allowances), write "Revoked" next to the checkbox on line 1 of the form. If you want tax withheld at any different rate, complete line 2 on the form.

**Nonperiodic payments.** If you previously chose not to have federal income tax withheld and you now want withholding, write "Revoked" next to the checkbox on line 1 and submit Form W-4P to your payer.

**Payments to Foreign Persons and Payments Outside the United States**

Unless you are a nonresident alien, withholding (in the manner described above) is required on any periodic or nonperiodic payments that are delivered to you outside the United States or its possessions. You cannot choose not to have federal income tax withheld on line 1 of Form W-4P. See Pub. 505 for details.

In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% federal withholding tax under section 1441 on the taxable portion of a periodic or nonperiodic pension or annuity payment that is from U.S. sources. However, most tax treaties provide that private pensions and annuities are exempt from withholding and tax. Also, payments from certain pension plans are exempt from withholding even if no tax treaty applies. See Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, and Pub. 519, *U.S. Tax Guide for Aliens*, for details. A foreign person should submit Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, to the payer before receiving any payments. The Form W-8BEN must contain the foreign person's TIN.

**Statement of Federal Income Tax Withheld From Your Pension or Annuity**

By January 31 of next year, your payer will furnish a statement to you on Form 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*, showing the total amount of your pension or annuity payments and the total federal income tax withheld during the year. If you are a foreign person who has provided your payer with Form W-8BEN, your payer instead will furnish a statement to you on Form 1042-S, *Foreign Person's U.S. Source Income Subject to Withholding*, by March 15 of next year.

**Privacy Act and Paperwork Reduction Act Notice**

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request federal income tax withholding from periodic pension or annuity payments based on your withholding allowances and marital status, (b) request additional federal income tax withholding from your pension or annuity, (c) choose not to have federal income tax withheld, when permitted, or (d) change or revoke a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.