

FREQUENTLY ASKED QUESTIONS REGARDING 1099-R'S & 1099-INT'S

WHAT IS FORM 1099-R?

Form 1099-R is generally used to report distributions of \$10 or more from your annuity. Copies of Form 1099-R are provided to the taxpayer reflected on the form, the Internal Revenue Service (IRS), and the appropriate state, city, or local tax department. If you have questions about other types of payments reported on Form 1099-R, please consult your personal tax advisor.

Why did I receive a Form 1099-R?

You may have received a Form 1099-R for the following activities:

- Any distribution from a plan.
- Any full surrender of a policy that has tax-deferred gains.
- A partial surrender under a policy that has tax-deferred gains.
- A 1035 Exchange from one insurer to another. Although a 1035 Exchange is generally not taxed, the IRS requires the original insurer to report the amounts transferred to the new insurance company.
- A direct rollover, which is the direct payment of an eligible rollover distribution to a traditional IRA or other eligible tax-qualified plan. (A trustee-to-trustee transfer involving no payment or distribution to the participant, which includes a trustee-to-trustee transfer from one IRA to another IRA or from one 403(b) plan to another 403(b) plan, is generally not reported on Form 1099-R.)
- Reporting annual premiums paid by employers for qualified plans.
- Any taxable portion of annuity death proceeds paid to a beneficiary.
- Rollover to a spousal account from a death claim. The IRS does not have a rollover code for IRA's; therefore, we must report these. You should treat this as a rollover on your 1040 filing. You will receive a Form 5498 as a confirmation of the rollover contribution to your new IRA account in late May.

I did not receive Form 1099-R for the prior tax year. Should I have received this form?

Form 1099-R reports distributions. Therefore, if your contract did not have a distribution in the prior year, you would not have received Form 1099-R. If you did not receive a Form 1099-R for the prior tax year, and you feel you should have, please contact us at the phone number provided on your Form 1099-R.

What is the difference between a Form 1099-INT and a Form 1099-R?

Both forms report income generated by a policy; however, they each report a different type of income. Form 1099-INT is used to report interest credited on certain policy proceeds. Form 1099-R is used to report distributions of qualified funds or non-qualified earnings (gain) that have never been taxed.

Why did I receive a Form 1099-INT?

You received Form 1099-INT if you received interest in excess of \$600.00 on a death claim distribution or interest earned in excess of \$10.00 from other sources.

Do I owe State income taxes on my distribution?

State income tax regulations vary, and each situation is different. Therefore, you should consult your personal tax advisor for your specific state information.

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What does the distribution code shown in Box 7 on Form 1099-R mean?

GUIDE TO DISTRIBUTION CODES	
CODE	DEFINITION
1	Early distribution, no known exception (in most cases, under age 59½)
2	Early distribution, exception applies (under age 59½)
3	Disability
4	Death
5	Prohibited transaction
6	Section 1035 exchange (a tax-free exchange of life insurance, annuity, or endowment contracts)
7	Normal distribution
8	Excess contributions plus earnings/excess deferrals (and/or earnings) taxable in 2010
9	Cost of current life insurance protection
A	May be eligible for 10-year tax option (see Form 4972)
B	Designated Roth account distribution
D	Excess contributions plus earnings/excess deferrals taxable in 2008
E	Excess annual additions under section 415/certain excess amounts under section 403(b) plans
F	Charitable gift annuity
G	Direct rollover of a distribution (other than a designated Roth account distribution) to a qualified plan, a section 403(b) plan, a governmental section 457(b) plan, or an IRA
H	Direct rollover of a designated Roth account distribution to a Roth IRA
J	Early distribution from a Roth IRA, no known exception (in most cases, under age 59½)
L	Loans treated as distributions
N	Recharacterized IRA contribution made for 2010 and recharacterized in 2010
P	Excess contributions, plus earnings/excess deferrals taxable in 2009
Q	Qualified distribution from a Roth IRA
R	Recharacterized IRA contribution made for 2009 and recharacterized in 2010.
S	Early distribution from a SIMPLE IRA in first 2 years, no known exception (under age 59½)
T	Roth IRA distribution, exception applies

There is a discrepancy between my records and the information contained on the Form 1099-R or Form 1099-INT. Can you help?

Yes. Please call our Customer Service number listed on the Form 1099-R or 1099-INT.

Our company, nor any agents acting on its behalf, should be viewed as providing legal, tax or investment advice. Consult a qualified advisor.