

# Complete this Fixed Annuity Income Plan Option form and mail it in!

For prompt processing of your income plan, each question must be answered fully. If space is insufficient for a complete answer, please provide additional information on a separate sheet of paper, which is signed and dated. Please type or print all information.

For your protection, we cannot accept photocopies or faxes of this form. If you have any questions, please contact our Annuity Contact Center toll-free at 1-800-449-0523.

For your convenience in completing this form, we've provided answers to the most frequently asked questions about Zurich American Life Insurance Company (ZALICO) income alternatives.

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## Frequently asked questions

### General

#### Who should complete this form?

The Fixed Annuity Income Plan Option Form must be completed by the contract owner as well as the person or persons to whom the benefit checks will be payable. For example, the proceeds may be payable to:

- **the owner:** the individual who actually receives the income is called the "annuitant" or "payee." If the owner of the contract will receive the payments, then the owner is also the annuitant. The owner should complete the option form in its entirety.
- **someone other than the owner:** if the annuitant is someone other than the owner, the annuitant should complete the form. However, the signature of the owner and the owner's spouse is required pursuant to Section 8 & 9

- **a minor or a person judged legally incompetent:** the form must be completed by the guardian of the minor or the conservator of the incompetent. A copy of the Letter of Guardianship or Letter of Conservatorship must be furnished.



### Who is the beneficiary . . . and can it be changed?

If either the annuitant or the secondary payee should die, the beneficiary is the individual who should receive the remaining, if any, guaranteed annuity payments. The beneficiary designation may be changed at any time during the payee's lifetime or during the guaranteed installment period, provided the payee is still living.

If no beneficiary is named, then the remaining value of the guaranteed payments will go to the annuitant's estate. If the benefit is paid to the estate, it is paid in the form of a lump sum. That means if you select a guarantee period of 20 years, for example, but you live for only 15 years, the value of the remaining 5 years if proceeds will be paid as a lump sum to the estate.

### Can I change my annuity option at any time?

Until your first payment is issued by ZALICO, the opportunity to change your annuity option is available as part of the many standard features offered through your plan. Even after the contract matures, you, as the owner, have 60 days to change your mind. However, as protection for both you and your beneficiary, once the income begins, the annuity option may not be changed, assigned, withdrawn, terminated or used as loan collateral.

### What other documents must be submitted?

For all lifetime payment selections, please include a photocopy of your birth certificate and the survivor/secondary payee's birth certificate (if applicable). If you select direct deposit of your benefit check, remember to include a blank, voided check.

### Where do I send the income plan option form and other documents?

Send all information to:  
Zurich American Life Insurance  
Company  
Attention: Annuity Contact Center  
PO Box 64361  
St. Paul MN 55164-0361



## Taxes

### Is each payment taxable?

Because a ZALICO annuity is tax-deferred, you pay no taxes until you actually receive income.

If you have a nonqualified annuity, a portion of each annuity payment will be excluded from taxable income. An "exclusion ratio" will be calculated to determine the excludable portion, based on your investment in the contract, the payment amount, your life expectancy (from IRS tables), and the number of guaranteed payments.

The exclusion ratio will be applied to each payment until the total amount excluded from income over the years equals your investment in the contract. After that time, approximately equal in duration to your IRS life expectancy when payments begin, each payment will become fully taxable.

If your annuity is from a qualified plan, each payment you receive will be comprised entirely of taxable income.

Distributions prior to age 59½ may be subject to a 10% penalty.

### How do I report the tax information to the IRS?

By January 31st, ZALICO will mail an IRS form 1099R listing your contract's taxable income for the previous year. You may also use this information to keep a record of your payments for the year. If you requested ZALICO to withhold taxes from your payments, for example, the form 1099R may be used to report the amount of tax withheld to the IRS and to your state. Your tax advisor can help you in this process when preparing your tax return for the year.

### Can I change my federal or state tax withholding of my income?

You may change your tax withholding at any time by notifying our Annuity Contract center at the address above.

## Payments

### When will I actually begin receiving payments?

Provided all your documentation has been properly completed when submitted to ZALICO, your payments will begin in approximately two to three weeks. Just prior to the start of your payment schedule, you will receive a "Supplementary Agreement." This is the legal document describing the terms of your selected annuity option.

The company reserves the right to alter the payment schedule to ensure payments are at least equal to our minimum required payment of \$50.



**Zurich American Life  
Insurance Company (ZALICO)**  
Administrative Offices:  
PO Box 64361  
St. Paul MN 55164-0361  
USA  
(800) 449-0523

# Fixed Annuity Income Plan Option Form

Before completing this form, please read the attached frequently asked questions carefully. Please include a copy of the birth certificate for each payee when submitting this form. Also, if you select direct deposit of your benefit check, remember to include a blank voided check.

Overnight deliveries can be sent to:  
7805 Hudson Rd, Ste 180  
Woodbury MN 55125  
USA

**(Please Print All Information)**

## **Section 1. Annuitant Information**

First Name  M  Last  Contract Number

Residence, Street  City  State  Zip

Is this a change of address? Yes  No  Home Phone Number

Social Security Number  Date of birth

Email Address

Work Phone Number  Cell Phone Number

Are you a U.S. Citizen?  Yes  No  Country of residence: \_\_\_\_\_

(If the answer is "NO" you will need to fill out a W8-BEN form and send the form to Zurich, Administrative Offices, PO BOX 64361, St. Paul MN 55164-0361)

**Note: If you live outside of the United States of America, you must complete Section 7 of this form.**

**Please Provide a Birth Certificate for the above listed annuitant.**

## **Section 2. Payment of Funds**

Indicate desired frequency of payment. (Please choose only one installment option. The company reserves the right to alter the payment schedule to ensure payments are at least \$50.)

Monthly  Quarterly  Semi-annually  Annually

Please indicate below the day you would like your payment to begin.

1st of the month  15th of the month

Please select below one of the income options. For qualified plan contracts, the number of years guaranteed cannot be longer than the Annuitant's life expectancy, in order to satisfy Internal Revenue Service Required Minimum Distribution rules.

If you elect a guaranteed period certain greater than the maximum period certain available, we will default to the longest available guaranteed period certain option available.

**Income Option 1**  
Income for a Specified Period – indicate the number of years (between 5 and 30) \_\_\_\_\_

**Income Option 2**  
Life Income Annuity

**Income Option 3**  
Life Income Annuity with Installments Guaranteed:\*  5 yrs.  10 yrs.  15 yrs.  20 yrs.  25 yrs.

**Income Option 4**  
Joint Survivor Annuity\* – Select Survivor Percentage  50%  66 2/3%  75%  100%

**Income Option 5**  
Joint and Survivor Annuity with Installments Guaranteed:\*  5 yrs.  10 yrs.  15 yrs.  20 yrs.  25 yrs.  
Select Survivor Percentage for a Joint and Survivor Annuity:  50%  66 2/3%  75%  100%

**\*Please include a copy of the birth certificate for each payee (Annuitant or Joint Annuitant) if applicable when submitting this form**

For an estimate of what your income amount would be under any of these alternatives, you may call our Annuity Contact Center at 1-800-449-0523.

If you elected Income Option 4 or 5 above, a Joint and Survivor Annuity with or without Installments Guaranteed, please fill out the information requested in the section below for the Survivor Annuitant:

<input type="checkbox"/> Male	<input type="checkbox"/> Female		
Name	<input type="text"/>	Relation to Annuitant:	<input type="text"/>
Address	<input type="text"/>	Work Phone #:	<input type="text"/>
City, State, Zip	<input type="text"/>	Home Phone #:	<input type="text"/>
Social Security Number	<input type="text"/>	Cell Phone #:	<input type="text"/>
Date of Birth	<input type="text"/> / <input type="text"/> / <input type="text"/>	Email Address:	<input type="text"/>
Citizenship: Are you a U.S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If "No" What is your country of residence: <input type="text"/>			
(If the answer is "NO" you will need to fill out a W-8BEN form and send the form to Zurich, PO BOX 19097 Greenville, SC 29602-9097)			
*Please include a copy of the birth certificate for the above listed Joint Annuitant			

**Section 3. Federal and State Income Tax Withholding**

**Federal Income Tax Withholding Rules**

Annuity Payments

- *Periodic Payments:* Periodic annuity payments under a supplemental agreement are subject to federal income tax withholding on the taxable portion of the payments. If you receive periodic annuity payments (other than from a Roth IRA), ZALICO will withhold federal income tax from the taxable portion of the annuity payments. However, you can elect out of this federal income tax withholding.

Insufficient Withholding: Please note that if you elect not to have withholding apply, or if you do not have enough federal income tax withheld from your distribution or periodic payments, you are liable for payment of federal income tax on the taxable portion of the payment, and you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

**Federal Elections**

Annuity Payments

- *Periodic Payments:* Since I will be receiving periodic payments under a supplementary agreement with respect to the ZALICO contract, I understand that ZALICO is required to withhold federal income taxes from the taxable portion of those payments, generally as if a married individual claiming three withholding allowances (ZALICO will use a 20% withholding rate as a proxy), unless I instruct ZALICO otherwise by checking one of the following boxes:

- Not to have any amounts withheld from my annuity payments; or
- To have an amount withheld equal to \_\_\_\_\_% of the taxable amount of my annuity payments.

NOTE: Your withholding election for annuity payments will remain in effect until you revoke it. You may make and revoke the withholding election any time by writing a letter of instruction to revoke and send the letter to Zurich Administrative Offices, PO BOX 64361, St. Paul MN 55164-0361.

**State Income Tax Withholding Rules**

State income tax withholding is based on your legal state of residence as shown in our records.

The amount of state income tax withheld (if any) for annuity payments will be based on your payment being a periodic distribution and is not affected by the classification of the tax status of your contract, e.g. IRA, 403(b)/TSA and Non-Qualified, except in Virginia.

Please refer to the attached document – State Income Tax Withholding Information Document for guidance in checking the box that applies to you.

**State Income Tax Elections**

A. No State Income Tax Withholding

My legal state of residence is one of the states classified in the attached document as a No State Income Tax Withholding. I confirm

- There will be no amounts withheld for state income taxes.

B. Voluntary State Income Tax Withholding

My legal state of residence is one of the states classified in the attached document as a Voluntary State Income Tax Withholding. I elect

- Not to have any amounts withheld.
- To have an amount withheld of \_\_\_\_\_% of the taxable amount of my annuity payments paid.

C. Required State Income Tax Withholding – Elections Permitted in Certain Circumstances

My legal state of residence is one of the states classified in the attached document as a – Required State Income Tax Withholding – Elections Permitted in Certain Circumstances. I elect

Please note this section is **not** for residents of California and Vermont

- Not to have any amounts withheld – (my transaction allows me to elect out of withholding).
- To have an amount withheld equal to the default State income tax withholding percentage of my legal State of residence, multiplied by the taxable amount of my annuity payments paid.
- To have an amount withheld of \_\_\_\_\_% of the taxable amount of my annuity payments paid.

Please note this section is **for** residents of California and Vermont only

- Not to have any amounts withheld – (my transaction allows me to elect out of withholding).
- To have an amount withheld equal to the default State income tax withholding percentage (10% CA; 27% VT) of my legal State of residence, multiplied by the Federal Income Tax amount withheld pursuant to my annuity payment paid.
- To have an amount withheld of \_\_\_\_\_% of the taxable amount of my annuity payments paid.

D. Mandatory State Income Tax Withholding When Federal Income Tax is Withheld

My legal state of residence is one of the states classified in the attached document as a – Mandatory State Income Tax Withholding When Federal Income Tax is Withheld. I elect

- Not to have any amounts withheld – (applicable if federal income taxes have not been withheld except for Michigan).
- To have an amount withheld using the default State income tax withholding percentage of my legal State of residence, multiplied by the taxable amount of my annuity payments paid.
- To have an amount withheld of \_\_\_\_\_% of the taxable amount of my annuity payments paid.

E. Mandatory State Income Tax Withholding on all taxable distribution

My legal state of residence is one of the states classified in the attached document as a – Mandatory State Income Tax Withholding on all taxable distribution. I elect

- To have an amount withheld equal to the default state income tax withholding percentage of my legal state of residence, multiplied by the taxable amount of my annuity payments paid.



**Section 4. Beneficiary Information:**

(You may designate additional Primary and Contingent beneficiaries on a signed and dated separate sheet of paper.)

**Primary Beneficiaries**

Full Name			
Full Address			
Home Phone			
Work Phone			
Cell Phone			
Email			
Relationship to Owner			
Social Security #			
Date of Birth	M_____D_____Y_____		
Allocation Percentage	What % do you want this Primary Beneficiary to have	%	
Full Name			
Full Address			
Home Phone			
Work Phone			
Cell Phone			
Email			
Relationship to Owner			
Social Security #			
Date of Birth	M_____D_____Y_____		
Allocation Percentage	What % do you want this Primary Beneficiary to have	%	

**PLEASE MAKE SURE THAT THE SUM OF THE %'S FOR THE PRIMARY BENEFICIARIES TOTALS 100%**

- The new designation cancels all previous designations, subject to the rights of any existing assignment.
- Unless otherwise indicated, the right to change the beneficiary is reserved by the owner(s).
- If a trust is being named, indicate the full name of the trust and the date it was established as well as the first and last page of the trust.
- Percentage: designations must equal 100%.
- Such change will take effect when we receive and record it at our home office. After we receive and record the change form, it will take effect on the date the change was signed. However, any action taken by us before such change is received and recorded will remain valid.
- If not enough space is allocated for your beneficiaries please use Section 5 with all the same information from this section.

**Contingent Beneficiaries**

**(Will only be considered if all Primary Beneficiaries Are No Longer Living)**

Full Name	
Full Address	
Home Phone	
Work Phone	
Cell Phone	
Email	
Relationship to Owner	
Social Security #	
Date of Birth	M _____ D _____ Y _____
Allocation Percentage	What % do you want this Contingent Beneficiary to have _____ %
Full Name	
Full Address	
Home Phone	
Work Phone	
Cell Phone	
Email	
Relationship to Owner	
Social Security #	
Date of Birth	M _____ D _____ Y _____
Allocation Percentage	What % do you want this Contingent Beneficiary to have _____ %

**PLEASE MAKE SURE THAT THE SUM OF THE %'S FOR THE CONTINGENT BENEFICIARIES TOTALS 100%**

- The new designation cancels all previous designations, subject to the rights of any existing assignment.
  - Unless otherwise indicated, the right to change the beneficiary is reserved by the owner(s).
  - If a trust is being named, indicate the full name of the trust and the date it was established as well as the first and last page of the trust.
  - Percentage: designations must equal 100%.
  - Such change will take effect when we receive and record it at our home office. After we receive and record the change form, it will take effect on the date the change was signed. However, any action taken by us before such change is received and recorded will remain valid.
  - If not enough space is allocated for your beneficiaries please use Section 5 with all the same information from this section.

**Section 5. Additional information or instructions**

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**Section 6. Direct Deposit Authorization (Must Include a Blank Voided Check)** (Only for payee(s) who lives in the USA)

- By checking this box your annuity check will be deposited automatically into your checking bank account of your choice, provided your bank is a member of the Automated Clearing House. Please include a blank voided check otherwise we will not be able to process your request. Thank you.

**Section 7. Foreign Wire Instruction** (required for payees who live outside the USA)

- I (we) live outside of the United States of America. I have completed the form **ZA-2001 International Wire Transfer Authorization** and enclosed it with this form.

Note: Please go to the website <https://www.zurichamericanlifeinsurance.com/> and click on the menu link of Customer Service/ Download Forms to download ZA-2001 form. You can also use Customer Service Phone number 1-800-499-0523 or Fax number 1-866-605-3962 to request the form.

**Section 8. Signature of Owners and Annuitants**

I (we) have read the contract and agree to the terms and conditions of the selected payment plan. By signing below, I (Annuitant) choose to annuitize proceeds from the contract. I (we) understand that the type of payment plan may not be changed after the first payment is issued. I (we) further understand that by completing Section 6 of this form (Direct Deposit Authorization) for payee who lives in the USA and attaching a blank voided check, or completing Section 7 for Foreign Wire Instruction for payee who lives outside of the USA, I (we) authorize Zurich American Life Insurance Company (“the Company”) to deposit the regular benefit directly into the bank account listed on the blank voided check. (Annuitant) also understand that this deposit will be made as scheduled until I instruct the Company to discontinue the service, which may be done at any time. The Company cannot be responsible for any expenses incurred in connection with the completion of this Fixed Annuity Income Plan Option Form. The Annuitant acknowledges that annuitizing my contract may be a taxable event and should consult with a tax advisor before making such a financial decision.

I understand that laws in my state may make it a crime to complete a claim form with information I know to be false, or to leave out material facts.

By signing below, the Owner(s) and annuitant(s), hereby certify that the information provided in this request is complete and accurate, and understand that this request will be processed according to the information provided.

If there is any inconsistency between the language in this form and the language in the contract, the language in the contract will take precedent.

Name of Contract Owner: \_\_\_\_\_

Contract Owner’s Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Joint Contract Owner: \_\_\_\_\_(if any)

Joint Contract Owner’s Signature: \_\_\_\_\_(if any) Date: \_\_\_\_\_

Name of Annuitant: \_\_\_\_\_

Annuitant’s Signature: \_\_\_\_\_ Date: \_\_\_\_\_

(Only for Joint and Survivor Option)

Name of Joint Annuitant: \_\_\_\_\_(if any)

Joint Annuitant’s Signature: \_\_\_\_\_(if any) Date: \_\_\_\_\_

**Note: All Signatures above are to be guaranteed.**

Signature Guarantee with Medallion Stamp:

(Bank Officer Medallion or Broker Dealer Medallion)



**Section 9. Spousal Consent Signatures**

Spousal Consent for Community Property States: If the plan participant is a resident of AZ, CA, ID, LA, NV, NM, TX, WA or WI, spousal consent is required unless the participant has no legal spouse.

Signature of Contract Owner's Spouse: \_\_\_\_\_ Date: \_\_\_\_\_

Check here if Contract Owner has no legal spouse

Contract Owner's Spousal Consent for ERISA plans: I hereby consent to the request as stated above. I understand that a spouse is guaranteed certain rights to assets in this retirement account by federal law and that these include the right to a pre-retirement survivor's annuity and a joint and survivor annuity and that these rights could be diminished by changes to the contract.

Signature of Contract Owner's Spouse: \_\_\_\_\_ Date: \_\_\_\_\_

Check here if Contract Owner has no legal spouse

**Note: All Signatures above are to be guaranteed.**

Signature Guarantee with Medallion Stamp:

(Bank Officer Medallion or Broker Dealer Medallion)





**Zurich American Life  
Insurance Company (ZALICO)**

Administrative Offices:  
PO BOX 64361  
St. Paul MN 55164-0361  
1.800.449.0523

## **ATTACHMENT B**

# **STATE INCOME TAX WITHHOLDING INFORMATION DOCUMENT**

This document is intended to provide you with information regarding state income tax withholding rules applicable to retirement-type distributions by an insurance company, such as ZALICO, in effect as of December, 2017. State laws are subject to change from time to time. The information below is based on ZALICO's understanding of the relevant laws; ZALICO does not warrant that the information is correct, nor does it undertake to update the information to reflect changes in state laws. This document is not intended or written as specific legal or tax advice and may not be relied on for purposes of avoiding any state tax penalties. Neither ZALICO nor any of its employees or representatives is authorized to give legal or tax advice.

### **State Income Tax Withholding—General Information**

State income tax withholding is based on your legal state of residence as shown in our records. Please notify us if you maintain a different legal residence.

The amount of tax withheld (if any) may be based on whether your payment is a periodic distribution or a non-periodic distribution. A series of payments made at regular intervals over a person's life or over a period of greater than one year is considered a series of periodic distributions, for example, annuities or installment payments. Any payment as a single-sum or at irregular intervals is a non-periodic distribution.

Please note that regardless of your election with respect to withholding, you may be liable for state income taxes with respect to the taxable portion of payments from ZALICO. In addition, you may be subject to interest or penalties on underpayments of tax. We suggest that you consult with a tax advisor in order to ensure that you make timely tax payments.

The information provided is intended to supplement the information ZALICO has provided to you with respect to federal income tax withholding requirements.

### **No State Income Tax Withholding**

ZALICO will not withhold for state income taxes in the following states. Please elect "no state withholding":

Alaska - AK	Nevada - NV	Tennessee - TN	Wyoming - WY
Florida - FL	New Hampshire - NH	Texas - TX	
Mississippi - MS	South Dakota - SD	Washington - WA	

### **Voluntary State Income Tax Withholding**

The following states do not require ZALICO to withhold state income taxes on periodic and non-periodic distributions, even though federal income taxes are being withheld. If you wish to have state income tax withheld, you must elect state income tax withholding and indicate on the election form the percentage of the distribution that you wish ZALICO to withhold.

Alabama - AL	Illinois - IL	New York - NY	Utah - UT
Arizona - AZ	Indiana - IN	Montana - MT	Pennsylvania - PA
Colorado - CO	Kentucky - KY	New Jersey - NJ	Rhode Island - RI
Idaho - ID	Louisiana - LA	New Mexico - NM	South Carolina - SC
Hawaii - HI	Minnesota - MN	North Dakota - ND	West Virginia - WV
	Missouri - MO	Ohio - OH	Wisconsin - WI

### **Required State Income Tax Withholding—Elections Permitted In Certain Circumstances:**

The following states generally require ZALICO to withhold state income tax on certain distributions, but permit certain state income tax withholding elections to be made in writing by you. Your distribution form allows you to make this election “in writing.” The requirements and available withholding elections are described below.

<b>State</b>	<b>State Tax W/H Calculation</b>	<b>Non-Periodic Distributions</b>	<b>Periodic Distributions</b>
Arkansas – AR	5% of Taxable Amount Distributed as an eligible rollover distribution.  3% of Other Non-Periodic Taxable Amount Distributed.  For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will use the [3%] non-periodic percentage, unless you elect out of withholding.	<u>IRA</u> : State income tax will be withheld, except you may elect out of withholding. <u>403(b)</u> : If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, you may elect out of withholding. <u>Nonqualified</u> : State income tax will be withheld, except you may elect out of withholding.	<u>IRA/403(b)/Nonqualified</u> : State income tax will be withheld, except you may elect out of withholding.
California – CA	For Non-Periodic and Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 10% of Federal Tax Withholding Applicable, unless you elect out of withholding.	<u>IRA/403(b)/Nonqualified</u> : State income tax will be withheld, except you may elect out of withholding.	<u>IRA/403(b)/Nonqualified</u> : State income tax will be withheld, except you may elect out of withholding.

State	State Tax W/H Calculation	Non-Periodic Distributions	Periodic Distributions
Delaware – DE	<p>5% of Taxable Amount Distributed.</p> <p>For Non-Periodic and Periodic Distributions, other than eligible rollover distributions, ZALICO will not withhold any amounts unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage of at least 5%.</p>	<p><u>IRA</u>: Voluntary withholding (minimum 5%).</p> <p><u>403(b)</u>: If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, voluntary withholding (minimum 5%).</p> <p><u>Nonqualified</u>: Voluntary withholding (minimum 5%).</p>	<p><u>IRA/403(b)/Nonqualified</u>: Voluntary withholding (minimum 5%).</p>
District of Columbia – DC	<p>8.95% of Taxable Amount of a Lump Sum Distribution.</p> <p>For other Non-Periodic and Periodic Distributions, ZALICO will not withhold any amounts unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>	<p><u>IRA/403(b)</u>: State income tax withholding is required for a lump-sum distribution of the entire balance.</p> <p><u>IRA/403(b)/Nonqualified</u>: Voluntary withholding for non-periodic distributions not described immediately above.</p>	<p><u>IRA/403(b)/Nonqualified</u>: Voluntary withholding.</p>
Georgia – GA	<p>1% to 6% of Taxable Amount Distributed</p> <p>Applicable to Non-Periodic and Periodic Distributions.</p> <p>For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 6% of Taxable Amount Distributed, unless you elect out of withholding.</p>	<p><u>IRA/403(b)/Nonqualified</u>: Voluntary withholding.</p>	<p><u>IRA/403(b)/Nonqualified</u>: State income tax will be withheld, except you may elect out of withholding.</p>



State	State Tax W/H Calculation	Non-Periodic Distributions	Periodic Distributions
Kansas – KS	<p>5% of Taxable Amount Distributed as an eligible rollover distribution.</p> <p>For Non-Periodic and Periodic Distributions, other than eligible rollover distributions, ZALICO will not withhold any amounts unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>	<p><u>IRA</u>: Voluntary withholding.  <u>403(b)</u>: If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, voluntary withholding.  <u>Nonqualified</u>: Voluntary withholding.</p>	<p><u>IRA/403(b)/Nonqualified</u>: Voluntary withholding.</p>
Maryland – MD	<p>7.75% of Taxable Amount Distributed as an eligible rollover distribution.</p> <p>For Non-Periodic and Periodic Distributions, other than eligible rollover distributions, ZALICO will not withhold any amounts unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>	<p><u>IRA</u>: Voluntary withholding.  <u>403(b)</u>: If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, voluntary withholding.  <u>Nonqualified</u>: Voluntary withholding.</p>	<p><u>IRA/403(b)/Nonqualified</u>: Voluntary withholding.</p>
North Carolina – NC	<p>4% of Taxable Amount Distributed as a Non-Periodic Distribution.</p> <p>For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 4% of Taxable Amount Distributed, unless you elect out of withholding.</p>	<p><u>IRA</u>: State income tax will be withheld, except you may elect out of withholding.  <u>403(b)</u>: If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, you may elect out of withholding.  <u>Nonqualified</u>: State income tax will be withheld, except you may elect out of withholding.</p> <p>If you elect not to have federal income taxes withheld, state income tax will be withheld unless you elect out of state income tax withholding.</p>	<p><u>IRA/403(b)/Nonqualified</u>: State income tax will be withheld, except you may elect out of withholding.</p> <p>If you elect not to have federal income taxes withheld, state income tax will be withheld unless you elect out of state income tax withholding.</p>

State	State Tax W/H Calculation	Non-Periodic Distributions	Periodic Distributions
Oklahoma – OK	<p>5% of Taxable Amount Distributed as a Non-Periodic Distribution.</p> <p>For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 5% of Taxable Amount Distributed, unless you elect out of withholding.</p>	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld, except you may elect out of state income tax withholding.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld, except you may elect out of state income tax withholding.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>
Oregon – OR	<p>9% of Taxable Amount Distributed as a Non-Periodic Distribution.</p> <p>For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 9% of Taxable Amount Distributed, unless you elect out of withholding.</p>	<p><u>IRA:</u> State income tax withholding is required whenever federal income tax is withheld, except you may elect out of state income tax withholding.</p> <p><u>403(b):</u> If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, you may elect out of withholding.</p> <p><u>Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld, except you may elect out of state income tax withholding.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld, except you may elect out of state income tax withholding.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>
Vermont – VT	<p>24% of Federal Tax Amount Withheld from a Non-Periodic Distribution.</p> <p>For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 24% of Federal Tax Amount Withheld, unless you elect out of withholding.</p>	<p><u>IRA:</u> State income tax will be withheld, except you may elect out of withholding.</p> <p><u>403(b):</u> If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, you may elect out of withholding.</p> <p><u>Nonqualified:</u> State income tax will be withheld, except you may elect out of withholding.</p>	<p><u>IRA/403(b)/Nonqualified:</u> State income tax will be withheld, except you may elect out of withholding.</p>

**Mandatory State Income Tax Withholding When Federal Income Tax is Withheld**

The following states require ZALICO to withhold state income taxes from distributions when federal income tax is withheld from a distribution and permit you to elect to withhold state income taxes even if you elect to have federal income taxes not withheld. Included in the table are the amounts generally withheld for state income taxes.

State	State Tax W/H Calculation	Non-Periodic Distributions	Periodic Distributions
Iowa - IA	5% of Taxable Amount of Non-Periodic and Periodic Distributions.	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>
Maine - ME	<p>5% of Taxable Amount Distributed as a Non-Periodic Distribution.</p> <p>For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 5% of Taxable Amount Distributed.</p>	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>
Massachusetts - MA	5.10% of Taxable Amount of Non-Periodic and Periodic Distributions .	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>	<p><u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.</p> <p>If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.</p>

<b>State</b>	<b>State Tax W/H Calculation</b>	<b>Non-Periodic Distributions</b>	<b>Periodic Distributions</b>
Nebraska - NE	5% of Taxable Amount Distributed as a Non-Periodic Distribution.  For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 5% of Taxable Amount Distributed.	<u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.  If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.	<u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.  If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.
Virginia - VA	4% of Taxable Amount Distributed as a Non-Periodic Distribution.  For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 4% of Taxable Amount Distributed.	<u>IRA:</u> ZALICO will not withhold state income taxes.  <u>403(b)/ Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.  If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.	<u>IRA:</u> ZALICO will not withhold state income taxes.  <u>403(b)/ Nonqualified:</u> State income tax withholding is required whenever federal income tax is withheld.  If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.

**Mandatory State Income Tax Withholding on all taxable distribution**

The following states require ZALICO to withhold state income taxes on all taxable distributions with or without federal income tax withheld. Included in the table are the amounts generally withheld for state income taxes.

<b>State</b>	<b>State Tax W/H Calculation</b>	<b>Non-Periodic Distributions</b>	<b>Periodic Distributions</b>
Michigan - MI	4.25% of Taxable Amount Non-Periodic and Periodic Distributions.	<u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required on all taxable distributions.	<u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required on all taxable distributions.
Connecticut - CT	6.99% of Taxable Amount Non-Periodic and Periodic Distribution.	<u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required on all taxable distributions.	<u>IRA/403(b)/Nonqualified:</u> State income tax withholding is required on all taxable distributions.