



Annuities telephone number:
1.800.852.4450
Fax number
1.866.894.2087
email: annuityprocessing@principal.com

**Principal Life
Insurance Company**

**Annuity Death
Claim Packet**

Instructions

We've put together information to help you in filing fixed and/or variable annuity death claims. This page will help answer your questions and explain the death benefit settlement options available to you. Providing all of the information requested (see each section) will help us provide you with prompt and timely service.

Please mail the information to our customer service team at:

Principal Life Insurance Company
Attn: RIS Annuity Services
711 High Street
Des Moines IA 50392-1770

A. REQUIRED annuity death claim items (you should always provide these):

- 1) Each beneficiary must complete a separate Beneficiary's Statement (page 2 of this packet).
- 2) Each beneficiary must complete a Settlement Election Statement (page 3 of this packet). [Note: Certain settlement options may result in immediate taxable income. Please discuss with your tax advisor before choosing a settlement option.]
- 3) Each beneficiary must complete the Signature section (page 7 of this packet).
- 4) Send us one copy of the death certificate. The copy does not need to be certified.

B. Beneficiary designations (designations below require additional paperwork in addition to items in Section A)

- 1) *Estate* – if the beneficiary is an estate, a Letter of Appointment is needed to process your claim. The Letter of Appointment does not need to be certified.
- 2) *Surviving Children* – If the beneficiary is not specifically named and is listed as “surviving children” or “children”, you must complete the Notarized Surviving Children Affidavit (DD9069). This needs to be signed by an individual that is not one of the surviving children (i.e. Attorney, Executor of the Estate or family member) and this must be notarized.
- 3) *Minor Children* – if a beneficiary is a minor child, contact our customer service center for instructions on how to file the death claim. We will need to know if a court has appointed or will appoint a conservator or guardian of the estate for the minor.
- 4) *Trust* – if the beneficiary is a trust, provide a completed Trust Certification and Indemnification form (RF971) or a copy of the trust document. NOTE: The deceased's social security number cannot be used to pay out death benefits to a trust.
 - An Irrevocable Trust should use its own Tax Identification number.
 - A Revocable Trust can use the Tax Identification number of the grantor while the grantor is alive. Upon the grantor's death, the trust becomes irrevocable and its own Tax Identification number is required.

C. Other possible requirements (in addition to items in Section A)

- 1) A form for consent is required by Indiana, Ohio, and Oklahoma. The state must give approval before the death benefit can be paid. The consent form is enclosed and needs to be sent to the appropriate state office as specified on that form. The form is required only if the death occurred prior to 2013 for Indiana and Ohio or prior to 2010 for Oklahoma.
- 2) If the annuity contract has been used as collateral and has been assigned by a financial institution, we must receive a completed and signed Release of Assignment before the death benefit can be paid. This release is part of the Settlement Election Statement and can be found on page 4, section 5 of this packet.
- 3) Payments made from the annuity contract after the date of death need to be returned to us. This would include any checks that were mailed or electronic transfers to the deceased's bank account. The payments need to be returned for proper tax reporting and death claim payment. You may return the original check(s) or send us a personal check or money order. Exception: If the spousal continuation option is elected, no return of payment is required.

D. Additional information

- 1) All scheduled payments stop after notification of death.
- 2) *Fixed annuity contracts* – the annuity death benefit is calculated using the date of death value plus short-term interest based on a rate that can be different than the crediting interest rate on the contract. The length of time short-term interest will be paid will vary according to your state and the contract.
- 3) *Variable annuity contracts* - the annuity death benefit is calculated using the date of good order value plus short-term interest based on a rate that can be different than any crediting interest rate on the contract. The length of time short-term interest will be paid will vary according to your state and the contract.

This completed document is for restricted use only. No part may be copied nor disclosed without prior consent of Principal®.

Beneficiary Statement

1. Information about the deceased

Deceased's name

Date of death MM/DD/YYYY

Contract number(s) * ☐

☐☐☐

*Check the box if the contract is lost

2. Beneficiary information

Name (First/Middle/Last)

Date of birth MM/DD/YYYY

Beneficiary's social security number or Tax ID

Address-street

City

State

ZIP

Phone number

Your relationship to owner

Email address

Citizenship/Domicile (Please check one)

☐ US citizen

☐ Non-US citizen/ Non-resident alien (W-8 BEN required)

☐ Resident alien

3. Notice of withholding on annuity contracts (single sum payment only)

You may elect out of this withholding by checking the appropriate box below (except for payments made to U.S. citizens delivered outside the U.S. or its possessions). Penalties may be incurred under the estimated tax rules if your withholding and/or estimated tax payments are not sufficient. Please see a tax advisor for additional information.

Federal law requires us to withhold income tax equal to 10% of the taxable portion of the distribution unless you elect otherwise. If we withhold federal tax, state tax withholding may also be required. If you prefer to elect other than 10% Federal withholding, you must provide a completed Form W-4R and provide the amount you want withheld.

Regardless of whether you elect to have federal, and if applicable state tax withholding apply, you are liable for the payment of federal income tax, any state or local taxes, and any penalties which may apply to your distribution.

Please check one. Failure to complete an election will be considered an election to have withholding apply.

☐ I elect **not to have** federal or applicable state tax withheld from any taxable distribution(s).

☐ I elect **to have** 10% federal and applicable state tax withheld from any taxable distribution(s).

☐ I elect **to have** _____ % federal and _____ % state tax withheld from any taxable distribution(s).

☐ I elect **to have** \$ _____ federal and \$ _____ state tax withheld from the taxable portion of any payment.

Backup withholding on accounts – I am not subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

NOTE: Strike out the above statement only if you have been notified by the Internal Revenue Service that you are currently subject to backup withholding because of underreporting interest or dividends on a tax return.

4. Settlement options

**** These options may result in immediate taxable income. Please discuss with your attorney or tax advisor to determine which option is best for you.**

☐ **A. Single payment** ** (complete section 3 on page 2 of this packet)

You may elect to receive all of the death benefit settlement proceeds in a single sum payment.

- ☐ I elect to have a check mailed to my address on the previous page
☐ I elect to have the financial professional deliver the check to me. The financial professional must sign below (Section 10).
 [Note to Illinois residents: we are required to mail settlement payments directly to the beneficiary.]

- ☐ I elect a wire to my bank (Your bank may assess a charge, please check with your bank for wiring instructions).
☐ I elect an ACH to my bank. This option may take a day longer, but most banks do not assess a charge. Please attach a voided check.

☐ Checking (attach a voided check) ☐ Savings account ☐ Trust account

Name of financial institution

Phone

Account holder's name (required)

Transit and routing number

Account number

Joint account holder's name (required)

☐ **B. Spousal continuation**

☐ **Spousal continuation of current contract**

Only a surviving spouse who was named as the sole primary beneficiary may elect this option to continue the contract. You do not need to return the contract. We will send you new data pages. For all contracts except Principal Select Series Annuity, Principal Preferred Series Annuity, Principal Premier Annuity and Principal Growth Annuity, if you take partial withdrawals or fully surrender the continued contract, no surrender charges will apply. For Principal Select Series Annuity, Principal Preferred Series Annuity, Principal Premier Annuity and Principal Growth Annuity, if you make partial withdrawals or fully surrender the continued contract during the guaranteed period in effect at the time of death, no surrender charges will apply. Surrender charges will apply if you elect to renew the contract into a subsequent guaranteed period. If you intend to transfer funds after the spousal continuation is completed, additional paperwork is required. Call us at 1.800.852.4450 for more information.

(A Change of Beneficiary Form (RF870) will be needed to update the contract's beneficiaries. An Annuity Financial Transaction Form (DD1260) will be needed to resume or start the Flexible Withdrawal Option.)

Variable Contracts only

I (We) want telephone services as described in the prospectus

☐ Yes ☐ No

I (We) want internet transaction services for the sales financial professional as described in the prospectus.

☐ Yes ☐ No

Internet instructions received from the sales financial professional will be binding on all contract owners*

*The contract owner may elect to perform limited financial transactions on the internet upon establishing a Personal Identification Number on the Principal Financial Group web site.

If these boxes are not checked telephone and Internet services are not available. Telephone or internet instructions received from any joint contract owner will be binding on all owners.

NOTE: Authorization for these services can be revoked at any time by providing us written notice.

☐ **Spouse continuation and transfer to new contract** (also complete section 6 on page 4 of this packet)

☐ **C. Income payments** For non-qualified contracts the first payment must be received within one year from the date of death.

We will send you a list of available income payment options.

If you want to receive information about joint life settlement options, please provide:

Joint Life Name _____ Social security # _____

Date of birth _____ Address _____

☐ **D. Beneficiary IRA/Stretch annuity** With this option, the beneficiary may stretch the tax deferment of the contract value over their lifetime (or in some instances Deceased's remaining life expectancy) by only taking the IRS-required minimum distributions each year. Contact us at 1.800.852.4450 so we can provide additional information and send you the required forms.

☐ **Internal beneficiary stretch annuity (non-qualified contracts)** Complete section 7 on page 4 of this packet. This option must be set up to have the first distribution made by one year after the date of death.

☐ **Internal beneficiary IRA (qualified contracts)** Complete section 7 on page 4 of this packet. This option must be set up to have the first distribution made by December 31st of the following year after the year of death to avoid tax penalties unless an exception applies.

☐ **Beneficiary stretch annuity (non-qualified contracts) transferring to external company** Please attach a transfer request and Letter of Acceptance from other company.

☐ **Beneficiary IRA transferring to external company** Please attach a transfer request and Letter of Acceptance from other company.

☐ **E. Mutual funds** ** A mutual fund account may be opened with the death benefit settlement proceeds. Contact your personal broker or one of our affiliates through Principal Securities, Inc. (a registered broker-dealer and member of the FINRA) at 1.800.222.5852 for information and assistance.

☐ **F. Investment Back death provision** This is only available to variable annuity contracts with a GMWB rider that has the Investment Back feature. If the GMWB rider has the Investment Back remaining withdrawal benefit base and the variable annuity contract has accumulated value, it may be better for you to elect to receive the Investment Back remaining withdrawal benefit base as a series of payments. Call us at 1.800.852.4450 for more information.

5. Release of assignment (required for assigned contracts only)

To: Principal Life Insurance Company (hereinafter referred to as "Company"):

The undersigned holds an assignment _____ on Contract No. _____
MM/DD/YYYY

The undersigned acknowledges that all conditions and terms of said assignment have been fully satisfied and performed and does hereby cancel, release and discharge any and all interest in said contracts by reason of said assignment.

Dated at (City/State) _____ (Date) _____
MM/DD/YYYY

Signature of assignee

Witness

Print name & title

Print name

6. Spouse's acknowledgment to transfer to new contract (complete only for internal annuity transfers by spouse)

I understand that I am allowed to become the owner and annuitant under contract _____

due to the death of my husband/wife _____

If I chose to keep this contract, no surrender charges would apply at the time of subsequent partial withdrawals or full surrender of values. For Principal Select Series Annuity, Principal Preferred Series Annuity, Principal Premier Annuity and Principal Growth Annuity, if you make partial withdrawals or fully surrender the continued contract during the guaranteed period in effect at the time of death, no surrender charges will apply. Surrender charges will apply if you elect to renew the contract into a subsequent guaranteed period. I have chosen to transfer my values to my annuity contract _____

I understand surrender charges will apply to any partial withdrawal or full surrender of values as described in the provisions of the contract. My financial professional, _____
has explained the ramifications of this transfer to my satisfaction.

Signature of spouse

Date MM/DD/YYYY

Print name

Email address

7. Beneficiary's acknowledgment to stretch an annuity contract (required only if option D is marked on page 3)

I understand that I am allowed to receive the death benefit under contract (s) _____
due to the death of the deceased listed in Section 1.

I understand no surrender charges will apply if I choose to receive the death benefit. However, I choose to transfer the death benefit to a new annuity contract with Principal, _____.

I understand surrender charges will apply to any partial withdrawal or full surrender of values as described in the provisions of the new contract. My financial professional, _____
has explained the ramifications of this transfer to my satisfaction.

Signature of beneficiary

Date MM/DD/YYYY

Print name

8. Disclosures

Alabama residents: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.

Alaska residents: A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.

Arizona residents: Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

California residents: For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

In addition to Section 790.03 of the Insurance Code, Fair Claims Settlement Practices Regulations govern how insurance claims must be processed in this state. These regulations are available at the Department of Insurance Internet Web site, www.insurance.ca.gov. You may also obtain a copy of this law and these regulations free of charge from this insurer.

California Department of Insurance

Claims Service Bureau, 11th Floor

300 Spring Street, Los Angeles, CA 90011

1.800.927.HELP (in-state) 213.897.8921 (out-of-state)

Colorado residents: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of insurance within the Department of Regulatory Agencies.

District of Columbia residents: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Florida residents: Any person who knowingly, and with intent to injure, defraud, or deceive any insurance company files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Illinois residents: NOTICE OF AVAILABILITY. We are required by law to provide the following state insurance department information for your claim: The Illinois Department of Insurance maintains a Consumer Division in Chicago at 100 W Randolph St, Ste 15-100, Chicago IL 60601, and in Springfield at 320 W Washington St, Springfield IL 62767.

Indiana residents: A person who knowingly and with intent to defraud an insurer, files a statement of claims containing any false, incomplete or misleading information commits a felony.

Kentucky residents: Any person who knowingly and with intent to defraud any insurance company or other person files a statement of claim containing any materially false or misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Maine residents: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Maryland residents: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Minnesota residents: A person who files a claim with intent to defraud or helps commit fraud against an insurer is guilty of a crime.

New Hampshire residents: Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud.

New Jersey residents: Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

Ohio residents: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing false or deceptive statement is guilty of insurance fraud.

8. Disclosures continued

Pennsylvania residents: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Puerto Rico residents: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand (\$5,000) dollars and not more than ten thousand (\$10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

Tennessee residents: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Virginia residents: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Washington residents: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

All other states residents: Any person who knowingly and with intent to defraud any insurance company or other person, submits a statement of claim or any application form containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act which is a crime. Such actions may be considered felonies and subject to criminal civil penalties, including imprisonment and fines.

9. Tax Certification/Social Security Number Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (as defined in the Form W-9 instructions), and
4. The FATCA code entered on this form (if any) indicating the payee is exempt from FATCA reporting is correct. FATCA Code (if any) _____

Certification instructions: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

See the IRS website (www.irs.gov) for instructions in completing Form W-9.

☐ I am a nonresident alien or foreign corporation. Please send me an IRS Form W-8 to complete and return.

The Internal Revenue Service does not require your consent to any provision of this document other than certifications required to avoid backup withholding.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

10. Signatures

Nonresident alien signature only

Date MM/DD/YYYY

Beneficiary's signature (required)

Date

Financial professional signature (**only required if the financial professional is delivering the payment**)

Agency

Financial professional's address

Financial professional's phone number

1a First name and middle initial	Last name	1b Social security number
Address		
City or town, state, and ZIP code		

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

2	Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals)	2	%
Sign Here	Your signature (This form is not valid unless you sign it.)		Date

General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.

Purpose of form. Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

2024 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
14,600	10%	29,200	10%	21,900	10%
26,200	12%	52,400	12%	38,450	12%
61,750	22%	123,500	22%	85,000	22%
115,125	24%	230,250	24%	122,400	24%
206,550	32%	413,100	32%	213,850	32%
258,325	35%	516,650	35%	265,600	35%
623,950*	37%	760,400	37%	631,250	37%

* If married filing separately, use \$380,200 instead for this 37% rate.

General Instructions (*continued*)

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

Note: If you don’t give Form W-4R to your payer, you don’t provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Generally, distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$62,000 without the payment. Step 1: Because your total income without the payment, \$62,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$82,000, is greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$43,700 without the payment. Step 1: Because your total income without the payment, \$43,700, is greater than \$26,200 but less than \$61,750, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$63,700, is

greater than \$61,750 but less than \$115,125, the corresponding rate is 22%. The two rates differ. \$18,050 of the \$20,000 payment is in the lower bracket (\$61,750 less your total income of \$43,700 without the payment), and \$1,950 is in the higher bracket (\$20,000 less the \$18,050 that is in the lower bracket). Multiply \$18,050 by 12% to get \$2,166. Multiply \$1,950 by 22% to get \$429. The sum of these two amounts is \$2,595. This is the estimated tax on your payment. This amount corresponds to 13% of the \$20,000 payment (\$2,595 divided by \$20,000). Enter "13" on line 2.

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 additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). 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).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing 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 territories 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.