



**Affiliate:**  
Annuity Investors Life Insurance Company®

**Administrator for Life Insurance and Annuities:**  
Continental General Insurance Company®  
Loyal American Life Insurance Company®

Fixed & Fixed Indexed Annuities: PO Box 5420, Cincinnati OH 45201 / 800-854-3649 / 800-482-8126 Fax  
Registered Index-Linked Annuities: PO Box 5423, Cincinnati OH 45201 / 800-789-6771 / 800-807-9777 Fax  
Variable Annuities: PO Box 5423, Cincinnati OH 45201 / 800-789-6771 / 513-768-5115 Fax  
Overnight Address: 191 Rosa Parks St, Cincinnati OH 45202

## EASY SYSTEMATIC PAYMENT (ESP) PROGRAM ELECTION AGREEMENT FOR SUBSTANTIALLY EQUAL PERIODIC PAYMENTS (SEPP)

**INSTRUCTIONS:** Use this form to request substantially equal periodic payments from Non-Qualified and Qualified annuity contracts for contract owners under age 59 ½. This form may not be used to request distributions to satisfy Required Minimum Distributions from Qualified annuity contracts.

Please read and fully complete all applicable sections and forward to MassMutual Ascend or Affiliate along with any other necessary paperwork. Incomplete or unclear requests may result in processing delays. Please be advised that after reviewing your request, we may require additional documentation.

☐ **New Contract** (Form must accompany application) ☐ **Active Contract** # \_\_\_\_\_

### 1. CONTRACT OWNER INFORMATION – **MUST** be completed

Owner:	Joint Owner (if applicable)
Address (including City, State, Zip):	Owner's Social Security/Tax ID Number:
Is this the Owner's new address?  <input type="checkbox"/> YES <input type="checkbox"/> NO	Owner's Preferred Contact Phone #:  (       ) <span style="float: right;"><input type="checkbox"/> Home <input type="checkbox"/> Cell</span>

### 2. ELECTION TYPE (Select Only One) – **MUST** be completed.

- ☐ Initial Election – I request to receive SEPP Payments for the first time.
- ☐ Change of Election – I request to change the calculation method associated with my SEPP Payments.  
A one-time change in calculation method is permitted when the Fixed Annuitization or Fixed Amortization methods are initially elected; however, one may only change to the Required Minimum Distribution method.
- ☐ Continuation of a Previous Election at Prior Carrier – I request to continue to receive SEPP Payments. **Must also complete** and submit the Substantially Equal Periodic Payment Election Continuation from Prior Carrier form (Form # X6051815NW). **Skip to section 5.**

### 3. CALCULATION METHOD (Select Only One) – **MUST** be completed unless continuing a prior election

**Important Notes:**

- MassMutual Ascend or Affiliate cannot calculate SEPP payments on custodial owned contracts. The Custodian should submit a Systematic Withdrawal Request under our Easy Systematic Customized Payment Program.
  - An owner calculated payment amount must be a permissible amount which satisfies IRS guidelines using standard factors and the applicable interest rate. If not, MassMutual Ascend or Affiliate will reject the amount requested and pay the closest permissible amount allowed as calculated by MassMutual Ascend or Affiliate.
- ☐ Highest Calculated Method – Under this election, the Company will calculate SEPP payments under both the Fixed Annuitization and Fixed Amortization methods to determine which will pay a higher payment amount, and use that method for your SEPP payments.
- ☐ Fixed Annuitization Method - Except as elected below, your SEPP payments will be calculated by the Company.  
☐ Check here to elect an Owner calculated SEPP payments. Payment Amount: \$ \_\_\_\_\_
- ☐ Fixed Amortization Method - Except as elected below, your SEPP payments will be calculated by the Company.  
☐ Check here to elect an Owner calculated SEPP payments. Payment Amount: \$ \_\_\_\_\_
- ☐ Required Minimum Distribution (RMD) Method - Your SEPP payments will be calculated using the Uniform table.  
For MassMutual Ascend or Affiliate contracts without a 12/31 Fair Market Value, you **must** provide us with this value.  
Prior 12/31 Fair Market Value: \_\_\_\_\_

**4. PAYMENT START DATE AND FREQUENCY – *MUST* be completed unless continuing a prior election**

## PAYMENTS TO BE MADE:

☐ Monthly ☐ Quarterly ☐ Semi-Annual ☐ Annual **First Payment Date:** \_\_\_\_\_

Please allow at least 15 days from the date submitted for processing. If a first payment date is not specified, payment will be made at the **END of the payment period selected**. If a payment frequency is not selected, Fixed Calculation Method Payments will be made monthly and RMD Method Payments will be made annually. The RMD calculation method **requires** an annual payment frequency **unless** payment is made by EFT/Direct Deposit.

**5. PAYMENT INFORMATION (Select Only One) – *MUST* be completed.**

☐ Payments to the Owner at the address above.

☐ Direct Deposit to a personal checking or savings account.

You authorize the Company and the financial institution indicated below to adjust any over-deposit made to your account. **If your account information cannot be verified, a check will be sent to your address of record in place of direct deposit.**

**Make payment to my:** ☐ Checking Account ☐ Savings Account

<b>Financial Institution Name:</b>	<b>List Names of <u>ALL</u> Owners on the Financial Institution Account:</b>
<b>Financial Institution Routing Number:</b>	<b>Financial Institution Account Number:</b>

**IMPORTANT NOTES:**

- EFTs may be made to a bank or savings & loan account. EFTs may not be made to an IRA or other tax-qualified account or to an insurance company.
- An EFT transaction normally takes 2-3 business days for the funds to be credited to your financial institution account.
- Distributions will be reported as income to the contract owner(s), regardless of whether or not the owner is a named owner of the financial institution account.
- For requests signed by a Power of Attorney: 1) EFTs can only be made to an account where the person who gave the POA is a named owner of the account; and 2) payment will be made to the Principal not to the Attorney in Fact.
- For contracts owned by a Trust: EFTs can only be made to an account owned by the Trust unless additional documentation is provided showing that these distributions from the Trust are permitted.

**6. INCOME TAX WITHHOLDING (Select Only One) – *MUST* be completed.**

Federal tax withholding is not mandatory. The **default withholding amount is 10%** of the taxable amount. Whether or not taxes are withheld, you will be liable for payment of all applicable federal and state income taxes on the taxable portion of the distribution. You may also be subject to penalties under the estimated tax rules if your withholding and estimated tax payments, if any, are not adequate.

*If you do not elect out of withholding or do not attach the IRS W-4R form or make a state election, then we will withhold the default or mandatory amount, notwithstanding any prior election you may have made for a prior withdrawal.*

Federal Income Tax Withholding (select only one):

- ☐ Do not withhold federal tax, unless required.
- ☐ I am attaching IRS Form W-4R. **Withhold based on that election.**
- ☐ I am not attaching IRS Form W-4R. **The default or mandatory amount, if any, will be withheld.**

State Income Tax Withholding (select only one):

- ☐ Do not withhold state tax, unless required.
- ☐ I request state withholding of: \_\_\_\_\_ %
- ☐ I am not specifying a state withholding percentage. The default or mandatory amount, if any, will be withheld.

Any withholding election will remain in effect until revoked. You may revoke any withholding election for annuity payments not yet distributed by notifying MassMutual Ascend or Affiliate in writing at any time.

**7. SPECIAL TAX NOTICE ACKNOWLEDGEMENT****Section only needs to be completed for 403(b) TSA or 401 Pension/Profit Sharing/401(k) qualified contracts.****NOTE:** Section **MUST** be completed for withdrawals from a 403(b) TSA or 401 Pension/Profit Sharing/401(k) qualified contract.

By signing this ESP Election Agreement, the undersigned Owner/Annuitant/Participant acknowledges receipt of the Special Tax Notice Regarding Plan Payments. Please contact our office prior to submitting this form if you did not receive this Special Tax Notice.

Initial Above

By **initialing** in the box to the left, I **waive my 30-day consideration period**. I understand that I have 30 days to consider whether or not to make a direct rollover, and my request must be delayed unless I waive this right. This election applies to the waiver of the 30-day consideration period, **NOT** the actual processing time for your request.

**8. 403(b) TSA DISBURSEMENT ELIGIBILITY - Required only for 403(b) TSA Contracts (MUST CHECK ONE)****NOTE:** This section **MUST** be completed for all withdrawal requests from a 403(b) TSA qualified contract.

The owner certifies that these distributions are permitted as a result of:

A) ☐ **SEVERANCE FROM EMPLOYMENT:** Date of Separation: \_\_\_\_\_

Name of employer through which 403(b) TSA contributions were made: \_\_\_\_\_

B) ☐ **DISABILITY:** Unable to engage in customary or comparable substantial gainful activity by reason of medically determinable physical or mental impairment expected to result in death or be of long-continued and indefinite duration. (Attach documentation if no plan administrator.)

C) ☐ **ROLLOVER ACCOUNT:** Payment is only to be made from separate account for rollover contributions made.D) ☐ **EMPLOYER CONTRIBUTIONS:** Payments are only to be made from: (MUST CHECK ONE)☐ Separate account for employer contributions under a contract issued on or before 12/31/2008.☐ Separate account for employer contributions, and permitted based on occurrence of an event specified by plan document.**9. OWNER ACKNOWLEDGMENT AND AUTHORIZATION – MUST be completed.**

By signing below, I acknowledge and understand the following conditions:

1. **Annuitization Minimums:** Under certain annuity contracts, the Annuity/Account Value is available upon maturity only if payments are to be made for life or for a minimum number of years. Any payments made under the ESP Program will not apply toward meeting any such minimum requirement.
2. **No Additional Contributions, Withdrawals, or Loans permitted:** I understand that if I make an unscheduled withdrawal from this contract, make an additional contribution, or take a loan from this contract, I will automatically be terminated from the ESP program and will not be able to re-enroll until the following calendar year.
3. **No Exchanges, Rollovers, or Direct Transfers:** All checks under a Substantially Equal Periodic Payment Option are payable to the owner and cannot be made as a contract exchange, direct rollover, direct transfer or 1035 Exchange.
4. **Tax Implications:** I am personally responsible for any income tax implications of my election. I understand that if I make an unscheduled withdrawal from this contract, surrender this contract, or make an additional contribution prior to completing five full years of payments or attaining age 59 ½, whichever is later, payments will lose their exemption under IRC Section 72(q) or Section 72(t), as applicable, and I will be liable for the 10% Federal tax penalty, as well as interest and penalties, on all past distributions I have received under this election. Payments under this program will also cease.
5. **Effect on Required Minimum Distribution:** For Qualified contracts, if the fixed annuitization or fixed amortization calculation method is elected, the amount payable under a Substantially Equal Periodic Payment Option for a year in which I have a Required Minimum Distribution due may not satisfy the required minimum distribution rules of federal tax law, if applicable. I am responsible for converting to the ESP Required Minimum Program, if available; to the RMD calculation method; or to a settlement option at that time.
6. **Effect on Living Benefit Rider or Death Benefit Rider:** Substantially Equal Periodic Payment Option withdrawals will adversely affect any benefit under a living benefit rider or a death benefit rider.
7. **Company Calculated Elections:** The Company will calculate distributions from this contract in a fashion that satisfies IRS Guidelines and seeks to avoid any Federal penalty taxes normally applicable to distributions before age 59½, provided that (1) all information which I provide is accurate and complete, and (2) I immediately notify the Company of any changes that will affect my calculation. The manner in which the Company calculates the distributions from this contract will be based on the Company's understanding of current laws and regulations, which are subject to change.
8. **Effect on Annuity Contract provisions:** All withdrawals must comply with the Free Withdrawal provisions available under the contract or a surrender charge, proportionality adjustment, and/or market value adjustment, if applicable, will apply.
9. **Terms and Conditions:** Payments will be subject to the "Easy Systematic Payment Program Terms and Conditions for Substantially Equal Periodic Payment," which I have received and read, and which I should keep for future reference.

You may have signature guarantee provided by a bank, savings and loan association, trust company, credit union, broker/dealer or any other "eligible guarantor institution" as defined under the rules adopted by the Securities and Exchange Commission. These institutions often participate in signature guarantee medallion programs such as the Securities Transfer Agent Medallion Program (STAMP).



**EASY SYSTEMATIC PAYMENT (ESP) PROGRAM  
TERMS AND CONDITIONS FOR  
SUBSTANTIALLY EQUAL PERIODIC PAYMENTS**

**DETACH AND RETAIN THIS SECTION FOR YOUR RECORDS**

**SECTION I. INSTRUCTIONS**

To enroll in the Substantially Equal Periodic Payments Option under the ESP Program, complete the first four pages of the *“Easy Systematic Payment Program Election Agreement”* and forward to our office. The completed form along with any other necessary paperwork should be returned to MassMutual Ascend or Affiliate. **PLEASE KEEP THIS FORM FOR YOUR RECORDS.** Should you have any questions, please contact your agent or our Client Relations Department.

**SECTION II. DESCRIPTION OF SUBSTANTIALLY EQUAL PAYMENTS OPTION**

**Required Minimum Distribution Method**

- **Amount of Payments.** The amount to be paid for any given year will be determined by dividing the Fair Market Value as of the end of the prior year by the life expectancy factor for the distribution year. In the case of monthly, quarterly or semi-annual payments, the amount to be paid in any given period will be equal to the remaining amount for the year divided by the number of remaining payments in the current calendar year.

**FIXED AMORTIZATION AND FIXED ANNUITIZATION METHODS**

- **Company Calculated Payment Amounts.** Payments at the end of each payment period will be a fixed dollar amount calculated using standard factors and the applicable interest rate.
- **Owner Calculated Payment Amounts.** Payment amount must be a permissible amount which satisfies IRS guidelines using standard factors and the applicable interest rate. If not, MassMutual Ascend or Affiliate will reject the requested amount and pay the closest permissible amount allowed as calculated by MassMutual Ascend or Affiliate.

**SECTION III. ADDITIONAL TERMS AND CONDITIONS**

**QUALIFICATION FOR ESP PROGRAM**

1. **Eligible Annuity Products.** The ESP Program is available ONLY on certain annuity products. **The ESP Program is not available for the EquiLink or MultiLink Series of annuity products. The ESP Program may not be available for contracts owned by a Trust.** Please consult your agent or our Home Office for questions regarding availability.
2. **Age Restrictions.** Contract owners must be under 59 ½ or must be continuing SEPP payments which started at a prior carrier.
3. **Minimum Account Values.** Contract minimum account or surrender values apply for enrollment in the ESP Program.

**RESTRICTIONS ON ESP PROGRAM**

4. **Restrictions on Entry.**
  - No enrollment in the ESP Program after payments are made under a settlement option;
  - No enrollment in the ESP Program if an outstanding loan exists on the contract.
  - No multiple ESP Program elections. You may enroll in only one ESP Program option (Substantially Equal Periodic Payment, Customized or RMD), per annuity contract, at any one time.
  - No enrollment in the ESP Program if your contract is aggregated with another contract for under the serial contract rule or for the SEPP exception to the penalty tax.
  - No enrollment in the ESP Program for qualified contracts if the contract has any post tax investment.
  - Enrollment into the ESP RMD program will automatically terminate any other existing ESP Payment Option.
  - If you discontinue payments, you may not re-enter the ESP SEPP Payment Program until the following calendar year.

**CHANGES AND OTHER CONTRACT ACTIVITY**

5. **Changes.** A one-time change in calculation method is permitted when the Fixed Annuitization or Fixed Amortization methods are initially elected; however, you may only change to the Required Minimum Distribution method.
6. **No Additional Contributions, Withdrawals or Loans.** Additional contributions, unscheduled withdrawals, or loans will automatically terminate enrollment in the ESP program

**PAYMENT AMOUNTS AND TERMS**

7. **Duration of Payments.** Unless changed or terminated as provided in these terms and conditions, Substantially Equal Periodic payments will continue for your life or until your annuity contract is exhausted.
8. **Minimum Payments.** Initial net payments under the ESP program must be a minimum of \$50 monthly, \$150 quarterly, \$300 semi-annually, or \$600 annually. MassMutual Ascend or Affiliate may alter the payment mode if any net payments fail to meet these minimums.

**SECTION III. ADDITIONAL TERMS AND CONDITIONS** *(continued)***PAYMENT AMOUNTS AND TERMS** *(continued)*

9. **Payment Frequency.** Under the RMD calculation method payments will be made annually unless a monthly, quarterly or semi-annual payment election is in effect. Monthly, quarterly, and semi-annual payments are only available by electronic funds transfer (EFT) to the owner's checking or savings account. If EFT information is not provided or if an EFT payment is rejected at any time, future payments will be made annually by check mailed to the owner at the owner's address of record.
10. **No Contract Exchange, Direct Rollover, Direct Transfer or 1035 Exchange.** Substantially Equal Periodic payments under the ESP Program may not be paid as a contract exchange, direct rollover, direct transfer or 1035 Exchange.
11. **Program Changes and Termination.** The company reserves the right to change or terminate the ESP Program or any option at any time without notice.

**EFFECT ON OTHER ANNUITY CONTRACT PROVISIONS**

12. **Early Withdrawal Charges, Market Value Adjustments, and Proportionality.** Early Withdrawal Charges (including surrender charges, premature use charges) and Market Value Adjustments, if any, will apply to the extent that Substantially Equal Periodic Payments and other withdrawals exceed the penalty-free withdrawal allowance, if any, otherwise available under the contract at the time that the payment is made. Substantially Equal Periodic Payments will reduce the amount of any other penalty-free withdrawals which otherwise may be available under the contract during that year. Proportionality adjustments, if any, will apply to amounts withdrawn to make Substantially Equal Periodic Payments.
13. **Availability of Annuity Value.** Under certain annuity contracts, the Annuity Value is available upon maturity only if payments are to be made for life or some minimum number of years. Payments under the ESP Program will not count toward meeting any such minimum requirement.
14. **Effect on Any Persistency Bonus.** Payments under the ESP Program may reduce the values used to calculate the persistency bonus under the annuity contract, if applicable. As a result, the annuity contract may not qualify to receive any such bonus, or the amount of any such bonus may be reduced accordingly.
15. **Effect on Fixed-Indexed Contracts.** To the extent that the Fixed Strategies are exhausted and payments are taken from an Indexed Strategy, no Indexed Interest will be paid for the current Term on the amount withdrawn unless the withdrawal happens at the end of a Term.
16. **Effect on Living Benefit or Death Benefit Riders.** Substantially Equal Periodic Payment withdrawals will adversely affect any benefit under a living benefit rider or a death benefit rider. If you wish to set up living benefit rider payments, use form #X6026409NW.
17. **Annuity Contract Minimums Enforced.** If Substantially Equal Periodic Payments would cause the Surrender Value of your annuity contract to fall below the contract minimum, MassMutual Ascend or Affiliate reserves the right to terminate your payments. MassMutual Ascend Life or Affiliate reserves the right to surrender the annuity contract in full at that time.

**Withholding Certificate for Nonperiodic Payments and  
Eligible Rollover Distributions**

Give Form W-4R to the payer of your retirement payments.

**2026**

<b>1a</b> First name and middle initial	Last name	<b>1b</b> Social security number
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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.

<b>2</b>	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)	<b>2</b>	%
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**Sign  
Here**

Your signature (This form is not valid unless you sign it.)

Date

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**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](http://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.**2026 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%
16,100	10%	32,200	10%	24,150	10%
28,500	12%	57,000	12%	41,850	12%
66,500	22%	133,000	22%	91,600	22%
121,800	24%	243,600	24%	129,850	24%
217,875	32%	435,750	32%	225,900	32%
272,325	35%	544,650	35%	280,350	35%
656,700*	37%	800,900	37%	664,750	37%

\* If married filing separately, use \$400,450 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 2026, 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;
- Distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions;
- Qualified long-term care 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 \$70,000 without the payment. Step 1: Because your total income without the payment, \$70,000, is greater than \$66,500 but less than \$121,800, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$90,000, is greater than \$66,500 but less than \$121,800, 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 \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$28,500 but less than \$66,500, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$80,000, is greater than \$66,500 but less than \$121,800, the



corresponding rate is 22%. The two rates differ. \$6,500 of the \$20,000 payment is in the lower bracket (\$66,500 less your total income of \$60,000 without the payment), and \$13,500 is in the higher bracket (\$20,000 less the \$6,500 that is in the lower bracket). Multiply \$6,500 by 12% to get \$780. Multiply \$13,500 by 22% to get \$2,970. The sum of these two amounts is \$3,750. This is the estimated tax on your payment. This amount corresponds to 19% of the \$20,000 payment (\$3,750 divided by \$20,000). Enter "19" on line 2.

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**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.