

This document is to provide clarity regarding IRS Form 1099-R, and is based on National Life's interpretation of current federal and state regulations. **National Life Group cannot provide tax advice. Please direct questions regarding tax filing to your tax advisor.**

1. What is a Form 1099-R?

The Form 1099-R is an IRS form used to report any distributions from pensions, annuities, retirement plans, profit sharing plans, IRAs and insurance policies, regardless of whether or not federal or state income taxes were withheld. This form is also used to report Roth IRA Conversions, 1035 Exchanges, Qualified Rollovers, Excess Contributions, or any reportable ownership changes. We are required to mail this form by January 31 of each year.

2. Why did I receive a Form 1099-R from National Life Group or Life Insurance Company of the Southwest?

We processed a reportable and/or taxable event due to a request being received. The request may have been made by your employer on your behalf if you were a participant in a FICA alternative employer sponsored plan and upon separation from service; a distribution was made from this plan on your behalf. Other examples of reportable and/or taxable events include:

- Defaulted Loan that is considered a deemed distribution
- An ownership change on your non-qualified deferred annuity
- A Line of Business change from a Qualified Plan to a different type of Qualified Plan
- You collaterally assigned your deferred annuity
- You received proceeds from a death claim on an annuity held by the decedent

3. What should you do with this form?

If you file taxes, you may need to report this on your tax return. Please consult with your individual tax preparer, tax advisor, or the IRS to see if you need to file a tax return. Please keep this tax record with your important documents.

4. Why did I receive more than one form?

You may receive more than one Form 1099-R if you received distributions from more than one policy, you move from one state of residence to another, or if the distributions that you requested required different distribution codes. (Refer to the distribution code section on your Form 1099R) For example, if you were under 59½ at the beginning of the year and took a distribution, you would have a distribution code 1. If at the end of the year you were over 59½ and took another distribution, you would have a distribution code 7. These two distributions would be reported on separate forms.

5. Why does the taxable amount show \$0.00 or blank?

If your annuity was funded with qualified funds, all of the funds are taxable when distributed; however, there are some scenarios where there would be no taxable amount. For example, if funds were sent to another company as a Qualified Rollover, there would not be a taxable amount shown. If funds were rolled into an IRA, the Form 1099-R will be offset by IRS Form 5498 that you will receive from the new company in May. The Form 5498 will reflect the rollover contribution amount.

If your annuity was funded with non-qualified funds, there may be a non-taxable portion of your distribution referred to as cost basis. If the distribution was 100% cost basis (see Box 5), then there would not be any taxable amount. There would also not be a taxable amount if you transferred your annuity to another company through a 1035 Exchange.

6. What if I have questions?

If you have any additional questions, please feel free to call 1-800-732-8939. Our Call Center representatives are available to assist you 8:00am - 5:00pm (CST) Monday - Friday.