

State Tax Withholding Rules for Insurance and Deferred Annuities

This table provides the state tax withholding requirements for distributions taken from insurance and deferred annuities. For all tax-qualified contracts: Withholding is taken from the total amount distributed. For nonqualified annuities and life insurance: Withholding is taken from the taxable amount distributed. Annuitized contracts have different withholding rules, please see page two for state tax withholding rules for annuitized contracts.

State Withholding Definitions

- Optional: State tax withholding is optional. You can elect to have state taxes withheld or elect no state tax withholding.
- Form requirement: State tax withholding is required unless a state-specific form is submitted to opt-out of withholding or elect a different withholding percentage. We will follow instructions provided on the state-specific form for state tax withholding.
- Mandatory: State tax withholding is required. Cannot opt-out of state tax withholding.
- N/A: State withholding is unavailable.

State of Residence	Default Rate	Mandatory Eligible Rollover Distribution ¹ Rate	State Withholding Rules
Alabama	5.00%	-	Optional
Alaska	NA	NA	State withholding not available
Arizona	2.0%	NA	Optional
Arkansas	3.00%	5.00%	Mandatory if Eligible Rollover Distribution, otherwise optional
California	10% of Federal Withholding	-	Optional. If default state tax withholding is elected with no federal withholding, 1% will be withheld for state tax.
Colorado	4.40%	-	Optional
Connecticut	6.99%	-	Mandatory. Exception for partial surrenders (only) if Form CT-W4P is received and code E applies.
Delaware	5.00%	5.00%	Mandatory if Eligible Rollover Distribution, otherwise optional
District of Columbia	2.00%	-	Mandatory 10.75% for full distribution of a qualified contract, otherwise optional
Florida	NA	NA	State withholding not available
Georgia	2.00%	-	Optional
Hawaii	NA	NA	State withholding not available
Idaho	5.70%	-	Optional
Illinois	4.95%	-	Optional
Indiana	2.00%	-	Optional
Iowa	3.80%	-	Clients 55 and over in the year of the distribution are not required to withhold state tax. Clients under 55 are required to withhold state tax unless qualified to opt-out per Iowa State withholding rules. Submit a signed form to opt-out.
Kansas	5.00%	5.00%	Mandatory if Eligible Rollover Distribution, otherwise optional
Kentucky	4.00%	-	Optional
Louisiana	2.00%	-	Optional
Maine	5.00%	5.00%	Mandatory if Eligible Rollover Distribution or if federal withholding is elected ² , otherwise optional
Maryland	2.00%	7.75%	Mandatory if Eligible Rollover Distribution, otherwise optional
Massachusetts	5.00%	-	Mandatory if federal withholding is elected ² , otherwise optional.
Michigan	4.25%	-	Form requirement. If no form is on file the default state tax percentage will apply.
Minnesota	6.25%	-	Optional
Mississippi	4.70%	-	Optional
Missouri	2.00%	-	Optional
Montana	2.00%	-	Optional
Nebraska	5.00%	-	Mandatory if federal withholding is elected ² , otherwise optional.
Nevada	NA	NA	State withholding not available
New Hampshire	NA	NA	State withholding not available
New Jersey	2.00%	-	Optional
New Mexico	2.00%	-	Optional
New York	2.00%	-	Optional
North Carolina	4.00%	-	Form requirement. If no form is on file the default state tax percentage will apply.
North Dakota	1.50%	-	Optional
Ohio	3.50%	-	Optional
Oklahoma	4.75%	-	Optional
Oregon	8%	-	Optional
Pennsylvania	3.07%	-	Optional
Rhode Island	5.99%	-	Optional
South Carolina	6.20%	-	Optional
South Dakota	NA	NA	State withholding not available
Tennessee	NA	NA	State withholding not available
Texas	NA	NA	State withholding not available
Utah	4.55%	-	Optional
Vermont	30% of Federal Withholding	30% of Federal Withholding	Mandatory if Eligible Rollover Distribution, otherwise optional. If default state tax withholding is elected with no federal withholding, 3% will be withheld for state tax.
Virginia	4.00%	4.00%	Mandatory if Eligible Rollover Distribution, otherwise optional
Washington	NA	NA	State withholding not available
West Virginia	2.00%	-	Optional
Wisconsin	2.00%	-	Optional
Wyoming	NA	NA	State withholding not available

¹ Eligible Rollover Distributions (ERD) are distributions to the client made from employer-sponsored retirement plans (e.g. 401(a) or 403(b) plans) that could be rolled over to an IRA or other employer-sponsored retirement plan. ERD distributions are subject to mandatory 20% federal tax withholding. In AR, DE, KS, ME, MD, VT, and VA, if 20% mandatory federal withholding applies, then mandatory state withholding also applies at the shown state percentage. For states that do not require mandatory withholding on an ERD, state tax withholding is generally optional and the default rate applies.

² To ensure correct withholding is applied, elect state tax withholding on transaction requests when federal tax withholding is elected. Whether or not federal or state taxes are withheld from your distribution, you are responsible for the full payment of any state or local taxes, federal income tax, and any penalties that may apply. You may be responsible for estimated tax payments and could incur penalties if your estimated tax payments are not sufficient.

State Tax Withholding Rules for Annuitized Annuities

This table provides the state tax withholding requirements for distributions taken from annuitized annuities. For all tax-qualified contracts: Withholding is taken from the total amount distributed. For non-qualified contracts: Withholding is taken from the taxable amount distributed. Non-qualified payments generally include both principal and earnings, thus they are partially taxable throughout the payment period.

State Withholding Definitions

- Optional: State tax withholding is optional. You can elect to have state taxes withheld or elect no state tax withholding.
- Form requirement: State tax withholding is required unless a state-specific form is submitted to opt-out of withholding or elect a different withholding percentage. We will follow instructions provided on the state-specific form for state tax withholding.
- Mandatory: State tax withholding is required. Cannot opt-out of state tax withholding.
- Wage Table: Computed as if wages. The state withholding amount is determined according to the client’s marital filing status, exemptions and the taxable income amount. The calculation may result in zero dollars as the required withholding amount. The client can choose an amount greater than the default by submitting the appropriate transaction form. If no state tax withholding selection is made, we will generally default to married with 3 exemptions.
- N/A: State withholding is unavailable.

State of Residence	Default Rate	State Withholding Rules
Alabama	5.00%	Optional
Alaska	NA	State withholding not available
Arizona	2.00%	Optional
Arkansas	Wage Table	Optional. The wage table calculation will default to married and 3 exemptions.
California	10% of Federal Withholding	Optional. If default state tax withholding is elected with no federal withholding, 1% will be withheld for state tax.
Colorado	4.40%	Optional
Connecticut	6.99%	Mandatory. If Form CT-W4P is received, state tax withholding is calculated using form and wage tables. If not received, default state tax percentage will apply.
Delaware	5.00%	Optional
District of Columbia	2.00%	Optional
Florida	NA	State withholding not available
Georgia	Wage Table	Optional. Wage table calculation will default to follow marital status for federal withholding (or single, if none) and zero exemptions.
Hawaii	NA	State withholding not available
Idaho	5.70%	Optional
Illinois	4.95%	Optional
Indiana	2.00%	Optional
Iowa	3.80%	Clients 55 and over in the year of the distribution are not required to withhold state tax. Clients under 55 are required to withhold state tax unless qualified to opt-out per Iowa State withholding rules. Submit a signed form to opt-out.
Kansas	5.00%	Optional
Kentucky	4.00%	Optional
Louisiana	2.00%	Optional
Maine	Wage Table	Optional. Wage table calculation will default to single with 0 exemptions.
Maryland	2.00%	Optional
Massachusetts	5.00%	Mandatory if federal withholding is elected ² , otherwise optional.
Michigan	4.25%	Form requirement. If no form is on file the default state tax percentage will apply.
Minnesota	6.25%	Optional
Mississippi	4.70%	Optional
Missouri	2.00%	Optional
Montana	2.00%	Optional
Nebraska	Wage Table	Mandatory if federal withholding is elected ² , otherwise optional. Wage table calculation will default to married and 3 exemptions.
Nevada	NA	State withholding not available
New Hampshire	NA	State withholding not available
New Jersey	2.00%	Optional
New Mexico	2.00%	Optional
New York	2.00%	Optional
North Carolina	Wage Table	Form requirement. If no form is on file wage table calculation will default to single with 0 exemptions
North Dakota	1.50%	Optional
Ohio	3.50%	Optional
Oklahoma	Wage Table	Optional. Wage table calculation will default to follow the marital status indicated on federal Form W-4P (or married, if no federal form on file) and three allowances.
Oregon	Wage Table	Optional. Wage table calculation will default to single with 0 exemptions. Minimum withholding of \$10 and maximum withholding of 10% of the distribution.
Pennsylvania	3.07%	Optional
Rhode Island	5.99%	Optional
South Carolina	6.20%	Optional
South Dakota	NA	State withholding not available
Tennessee	NA	State withholding not available
Texas	NA	State withholding not available
Utah	Wage Table	Optional. Wage table calculation will default to married and 3 exemptions.
Vermont	Wage Table	Optional. Wage table calculation will default to married and 3 exemptions.
Virginia	Wage Table	Optional. Wage table calculation will default to single with 0 exemptions.
Washington	NA	State withholding not available
West Virginia	2.00%	Optional
Wisconsin	2.00%	Optional
Wyoming	NA	State withholding not available

Whether or not federal or state taxes are withheld from your distribution, you are responsible for the full payment of any state or local taxes, federal income tax, and any penalties that may apply. You may be responsible for estimated tax payments and could incur penalties if your estimated tax payments are not sufficient.

² To ensure correct withholding is applied, elect state tax withholding on transaction requests when federal tax withholding is elected.