



NSS Life
Family Matters...

NOTICE

January 2023

NOTICE OF FEDERAL TAX WITHHOLDING REQUIREMENTS FOR ALL DISBURSEMENTS

The IRS is requiring Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments and/or Form W-4R for Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions to be completed. These forms are **required** for all disbursements, including life insurance and both tax qualified and nonqualified annuities.

IRS Forms W-4P and W-4R are available online at our website www.nsslife.org.

What you need to know for Form W-4P

- Form W-4P should be used if you are receiving periodic payments from an annuitized annuity or are receiving a series of substantially equal periodic payments such as a 72(t).
- This form allows NSS Life to withhold the proper amount of federal income tax from the taxable portion of your disbursement.
- Please fill out your personal information, any other required fields, if they apply, and sign the form.
- If you are currently having federal income tax withheld, please complete this form in its entirety and return to NSS to assure that the proper amount of federal income tax is being withheld. (You should contact your tax advisor regarding any questions or concerns in completing this form.)
- If you DO NOT want federal income tax withheld, please indicate 'NO WITHHOLDING' in the space below Step 4(c), as indicated in the provided sample form.
- Once Form W-4P is completed and submitted to NSS, it will remain in effect until a new Form W-4P is completed and submitted. A separate Form W-4P is required for each contract.
- **WHEN COMPLETING FORM W-4P, IF YOU DO NOT PROVIDE YOUR CORRECT SOCIAL SECURITY NUMBER AND SIGN THE FORM, NSS LIFE IS REQUIRED TO WITHHOLD TAXES AS IF YOU WERE SINGLE WITH NO ADJUSTMENTS (THE HIGHEST TAX BRACKET).**
- **IF YOU ARE RECEIVING PERIODIC PAYMENTS AND YOU DO NOT SUBMIT FORM W-4P, NSS LIFE IS REQUIRED TO WITHHOLD TAXES AS IF YOU WERE SINGLE WITH NO ADJUSTMENTS (THE HIGHEST TAX BRACKET).**

DO NOT FORGET TO SIGN THE FORM!

FORM W-4P INSTRUCTIONS

Form W-4P contains 5 steps. Every Form W-4P must have name, address, social security number (SSN), and filing status, and a dated signature in Step 5. **Payees complete Steps 2, 3, and/or 4 only if relevant to their personal situations. Steps 2, 3, and 4 show adjustments that affect withholding calculations.**

Form W-4P	Withholding Certificate for Periodic Pension or Annuity Payments	OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service		2023	
Give Form W-4P to the payer of your pension or annuity payments.			
Step 1: Enter Personal Information	(a) First name and middle initial	Last name	(b) Social security number
	Address		
	City or town, state, and ZIP code		
	FILL OUT THIS SECTION		
(c)	<input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		
<p>Complete Steps 2-4 ONLY if they apply to you; otherwise, skip to Step 5. See pages 2 and 3 for more information on each step and how to elect to have no federal income tax withheld (if permitted). WRITE CONTRACT # HERE</p>			
Step 2: Income From a Job and/or Multiple Pensions/ Annuities (Including a Spouse's Job/ Pension/ Annuity)	<p>Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity. See page 2 for examples on how to complete Step 2.</p> <p>Do only one of the following.</p> <p>(a) Reserved for future use.</p> <p>(b) Complete the items below.</p> <p>(i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-". . . . \$ _____</p> <p>(ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-". . . . \$ _____</p> <p>(iii) Add the amounts from items (i) and (ii) and enter the total here \$ _____</p> <p>TIP: To be accurate, submit a new Form W-4P for all other pensions/annuities if you haven't updated your withholding since 2021 or this is a new pension/annuity that pays less than the other(s). Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019. If you have self-employment income, see page 2.</p>		
<p>Complete Steps 3-4(b) on this form only if (b)(i) is blank and this pension/annuity pays the most annually. Otherwise, do not complete Steps 3-4(b) on this form.</p>			
Step 3: Claim Dependent and Other Credits	<p>If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly):</p> <p>Multiply the number of qualifying children under age 17 by \$2,000 \$ _____</p> <p>Multiply the number of other dependents by \$500 \$ _____</p> <p>Add other credits, such as foreign tax credit and education tax credits \$ _____</p> <p>Add the amounts for qualifying children, other dependents, and other credits and enter the total here \$ 3 _____</p>		
Step 4 (optional): Other Adjustments	<p>(a) Other income (not from jobs or pension/annuity payments). If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends 4(a) \$ _____</p> <p>(b) Deductions. If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here 4(b) \$ _____</p> <p>(c) Extra withholding. Enter any additional tax you want withheld from each payment 4(c) \$ _____</p>		
Step 5: Sign Here	<p>PLEASE SIGN HERE DATE</p> <p>_____ Your signature (This form is not valid unless you sign it.) Date</p>		

**IF YOU DO NOT WANT FEDERAL
TAX WITHHOLDING PLEASE NOTE
"NO WITHHOLDING" HERE**





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What you need to know for Form W-4R

- Form W-4R is used for nonperiodic payments such as one-time payments or full surrender requests. Distributions from an IRA, such as RMDs, that are payable on demand are also treated as nonperiodic payments. If you are receiving a systematic withdrawal from your annuity, such as a flat amount or interest, these are also considered nonperiodic payments. Form W-4R should also be used for life insurance disbursements.
- Form W-4R should be completed and submitted to NSS for each one-time payment or full surrender. A separate Form W-4R is required for each contract.
- If you are setting up a systematic withdrawal for a flat amount, interest, or an automatic RMD, once Form W-4R is completed and submitted to NSS, it will remain in effect until a new Form W-4R is completed and submitted. A separate Form W-4R is required for each contract.
- Please fill out your personal information, fill in a federal tax withholding rate between 0-100%, and sign the form.
- **WHEN COMPLETING FORM W-4R, IF YOU DO NOT PROVIDE YOUR CORRECT SOCIAL SECURITY NUMBER AND SIGN THE FORM, NSS LIFE IS REQUIRED TO WITHHOLD 10% OF THE TAXABLE PORTION OF YOUR DISBURSEMENT FOR FEDERAL INCOME TAX.**
- **IF YOU ARE RECEIVING NONPERIODIC PAYMENTS AND YOU DO NOT SUBMIT FORM W-4R, NSS LIFE IS REQUIRED TO WITHHOLD 10% OF THE TAXABLE PORTION FOR FEDERAL INCOME TAX.**

DO NOT FORGET TO SIGN THE FORM!

★★ You are liable for federal income tax on the taxable portion of your distribution. There are penalties for not paying enough federal income tax during the year, either through withholding or estimated tax payments. It is not the role of NSS Life to provide members with either financial or tax advice. Please consult with your financial or tax advisor for further information on how this may affect your specific situation or for any tax implications. ★★

FORM W-4R INSTRUCTIONS

The default withholding rate is 10%, but Form W-4R allows you to choose a different rate of withholding by entering a rate between 0% and 100% on line 2. However, you can't choose a rate of less than 10% for payments to be delivered outside the United States and its possessions. If you submit a Form W-4R that doesn't contain your correct SSN or is not signed, your request to have income tax withheld at a rate of less than 10% is denied and we must withhold 10% of the payment for federal income tax.

Form W-4R		Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions		OMB No. 1545-0074
Department of the Treasury Internal Revenue Service		Give Form W-4R to the payer of your retirement payments.		2023
1a First name and middle initial		Last name		1b Social security number
FILL IN				
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.

WRITE CONTRACT # HERE

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	%
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Sign Here	SIGN HERE		DATE	
	Your signature (This form is not valid unless you sign it.)		Date	

FILL IN WITHHOLDING TAX RATE FROM 0-100%

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.

2023 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%
13,850	10%	27,700	10%	20,800	10%
24,850	12%	49,700	12%	36,500	12%
58,575	22%	117,150	22%	80,650	22%
109,225	24%	218,450	24%	116,150	24%
195,950	32%	391,900	32%	202,900	32%
245,100	35%	490,200	35%	252,050	35%
591,975*	37%	721,450	37%	598,900	37%

* If married filing separately, use \$360,725 instead for this 37% rate.