

## Federal Income Tax Withholding Instructions for completing Substitute Form W-4-P Withholding Certificate for Periodic Annuity Distributions

Church Life Insurance Corporation (Church Life) can accommodate the election of federal income tax withholding on periodic annuity distributions from your annuity contract.

### Cleric receiving distributions from 403(b) tax-deferred annuity

Federal income tax withholding is optional on distributions from your 403(b) tax-deferred annuity (i.e. RSVP, SVO, TSA). Therefore, if you do not return the Church Life Substitute Form W-4P withholding certificate for periodic 403(b) tax-deferred annuity distributions, no federal income taxes will be withheld from your distributions. Please be aware that this may result in an insufficient payment of your federal income tax liability and the IRS may impose interest and penalties for the underpayment of income tax.

However, if you wish to voluntarily elect federal income tax withholding, simply make the appropriate election within SECTION A of the Church Life Substitute Form W-4P withholding certificate for periodic 403(b) tax-deferred annuity distributions.

- If you choose to have a specific amount of federal income taxes withheld from your periodic 403(b) tax-deferred annuity distribution, please be sure to enter the “flat amount” and check the middle box on SECTION A of the form.
- If you choose to have federal income taxes withheld based on your marital status and your number of allowances, please choose the bottom box within SECTION A of the form and be sure to complete **both** Step 1, *Marital Status* and Step 2, *Number of Allowances*. You may also choose to have an additional amount of federal income taxes withheld from your periodic 403(b) tax-deferred annuity distributions.

Please note: Some clergy may find it easier to elect a specific “flat amount” of federal income tax to be withheld from each periodic 403(b) tax-deferred annuity distribution; this can be accomplished by completing the middle box on Section A of the form.

For more information on IRS withholding tables and instructions to IRS Form W-4P and the related worksheets, please visit [irs.gov/pub/irs-pdf/fw4p.pdf](https://irs.gov/pub/irs-pdf/fw4p.pdf). A paper copy of the IRS withholding tables, instructions, and related worksheets to IRS Form W-4P are available upon request by contacting Client Services at (866) 802-6333. For your convenience, a federal income tax calculator can be found at [irs.gov/W4App](https://irs.gov/W4App).

Please note that it may take up to one or two payment cycles for the election to become effective, depending on when we receive the Church Life Substitute Form W-4P.

### All Other Payees receiving distributions from an annuity—Lay, Surviving Spouse, Beneficiary, or Alternate Payee (including a clergy member who is receiving distributions from an annuity other than their 403(b) tax-deferred annuity or as a surviving spouse)

Please read these instructions carefully and make the appropriate federal income tax withholding election within SECTION B of the enclosed Church Life Substitute Form W-4P withholding certificate for periodic annuity distributions.

- If you do not want to have federal income taxes withheld from your periodic annuity distribution, check the top box within SECTION B of the form. You do not need to state a reason for a “no withholding” decision. However, if this election results in an insufficient payment of your federal income tax liability, the IRS may impose interest and penalties for the underpayment of income tax.
- If you do wish to have federal income taxes withheld from your periodic annuity distributions, check the bottom box within SECTION B of the form and complete **both** Step 1, *Marital Status* and Step 2, *Number of Allowances*. You may also choose to have an additional amount of federal income taxes withheld from your periodic annuity distributions.

For more information on IRS withholding tables and instructions to IRS Form W-4P and the related worksheets, please visit [irs.gov/pub/irs-pdf/fw4p.pdf](https://irs.gov/pub/irs-pdf/fw4p.pdf). A paper copy of the IRS withholding tables, instructions, and related worksheets to IRS Form W-4P are available upon request by contacting Client Services at (866) 802-6333. For your convenience, a federal income tax calculator can be found at [irs.gov/W4App](https://irs.gov/W4App).

Return the Church Life Substitute Form W-4P withholding certificate with the other required forms provided in your package. Please be sure to include all necessary information such as your name, address, and Social Security number, as well as completion of the appropriate line(s). Once you have returned this form, it will remain in effect for this specific benefit until you change or revoke it in writing.

If you do not properly complete and return a **Church Life Substitute Form W-4P** withholding certificate for periodic annuity distributions, we will be required to withhold federal income taxes as if you were a married person claiming three (3) withholding allowances. As such, federal income taxes will be withheld if your expected periodic pension benefits for 2020 are equal to or greater than \$25,140. If you do not properly complete and return a **Church Life Substitute Form W-4P** withholding certificate for periodic pension distributions and your expected periodic pension distributions for 2020 will be less than \$25,140, no federal income tax will be withheld.

Please note that it may take up to one or two payment cycles for the election to become effective, depending on when we receive the Church Life Substitute Form W-4P.

Note: Any periodic annuity distributions received by retired lay persons, surviving spouses, beneficiaries and alternate payees are not eligible for the clergy housing allowance exclusion.

### **Mandatory withholding on payments delivered outside the United States**

The election to be exempt from federal income tax withholding does not apply to any periodic or non-periodic payment delivered outside the United States or its possessions to a U.S. citizen or resident alien.

We recommend that you consult your tax advisor before making any elections. While we cannot offer tax advice, our consultants are available to assist you at their toll-free numbers:

Nancy N. Fritschner, CPA	(877) 305-1414
Mary Ann Hanson, CPA	(877) 305-1415
Dolly Rios, CPA	(833) 363- 5751

If you have questions, please contact Client Services at (866) 802-6333, Monday – Friday, 8:30AM – 8:00PM ET (excluding holidays).

Church Life Insurance Corporation, NAIC No. 61875, a New York life insurance company, with its home office located at 19 East 34th Street, New York, New York 10016 ("Church Life"), offers group and, in certain circumstances, individual life insurance and annuities to clergy and lay employees, and their families, in the service of the Episcopal Church. Product availability and features may vary by state, and products may not be available in all states. Church Life is not licensed in all states. Any and all guarantees by Church Life are based on and expressly subject to the claims-paying ability of Church Life. The Church Pension Fund does not guarantee the payment of principal or interest on any Church Life insurance policy or annuity contract. Information and descriptions of products and services are provided solely for general informational purposes and are not intended to be complete descriptions of, or to create a contract or an offer to provide, coverage. For complete details of coverage, including exclusions, limitations and restrictions, please see the actual life insurance policy or annuity contract. If any description of a Church Life product conflicts with the terms of the actual life insurance policy or annuity contract, then the terms of such life insurance policy or annuity contract will govern.

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