State Tax Withholding
Frequently Asked Questions

Q. Is state tax withholding required?
Generally, no. You have the right in all states to elect out of state tax withholding for periodic payments as long as you are allowed to elect out of federal tax withholding. If you don't withhold state income tax from your payments, you may owe state tax when you file your state income tax return.

Q. In which states is state tax withholding available?
State tax withholding is available if you reside in:

Arizona	*Arkansas*	*California*
Connecticut	*District of Columbia*	
Delaware	*Georgia*	*Indiana*
Iowa	*Kansas*	*Maryland*
Massachusetts	*Maine*	*Michigan*
Missouri	*Montana*	*New Jersey*
New Mexico	*New York*	*North Carolina*
Nebraska	*Oklahoma*	*Oregon*
Utah	*Virginia*	*Vermont*
Wisconsin	*West Virginia*	

Q. Do I have to make a state tax withholding election?
(1) If you live in ***Arizona, Indiana, Maryland, Missouri, Montana, New Jersey, New Mexico, New York, Utah, Wisconsin or West Virginia****, you may elect withholding but you are not required to do so.*

(2) If you live in ***California, Massachusetts, Oklahoma, Oregon, Virginia or Vermont*** *and currently do not have federal tax withheld from your payment, you may make an election but do not need to do so.*

If you live in one of these states and currently have federal tax withheld, you must advise us of your state withholding election or we are required to withhold state tax at a default rate.
YOUR RESPONSE IS MANDATORY.

(3) If you live in ***Arkansas, Connecticut, District of Columbia, Delaware, Georgia, Iowa, Kansas, Maine, Michigan, North Carolina or Nebraska*** *we are required to withhold state tax at a default rate unless you tell us that you want to elect out of withholding or you select a different rate.*
YOUR RESPONSE IS MANDATORY.

Q. How do I request that a portion of my payment be withheld for state taxes?
The Withholding Election Form is available at www.nsre.com. You may also request the form by sending an email to tax@nfg.com or calling us at 1-800-541-0171.

Q. What happens to the amounts withheld from my payment?
All amounts that we withhold are sent to your resident state and are applied to your state income tax account.

Q. What happens to the amount of my annuity payment if I withhold state taxes?
The net annuity payment will be reduced by the amount withheld and sent to your resident state to credit your state tax withholding account.

Q. I am a senior citizen. I didn't think my annuity was taxable in my state.
Some states allow retirees to exclude part of their retirement incomes from state income tax. Please review your state's tax exemptions, or consult with your tax advisor in making your withholding decision.

Q. How can I change my tax withholding amount?
Unless not permitted by IRS rules, you can always change the amount of federal or state tax that you have withheld from future distributions. A new Withholding Election Form is required to be filed with us to make this change.

Q. Do I have to do anything if I am not receiving regular payments?
If you are not currently receiving periodic payments, you can wait to submit the form until payments start.

For more information, please consult with your tax advisor. This document is not intended to be individual tax advice to any person and is for informational purposes only.