
Annuity Distributions

Understanding Your 2021 Form 1099-R



2021 Form 1099-R Annuity Distribution Information

Fidelity¹ is required to send a Form 1099-R whenever money has been distributed from an annuity contract. You may receive more than one Form 1099-R because the information on each form is limited to one contract, one distribution code, and one withholding state.

Transactions that require a 1099-R to be issued may include:

- Withdrawal(s) from your annuity contract
- Closing or surrendering your annuity contract
- Payments from your annuitized income annuity contract
- Exchange of your annuity to another company (called a 1035 exchange)
- Ownership changes

| | | | | | | | | | | | |
|--|--|--|---|--|--|---|--|--|--|--|--|
| PAYER's name, street address, city or town, state or province, country, and ZIP or foreign postal code FIDELITY INVESTMENTS LIFE INSURANCE CO ANNUITY SERVICE CENTER P.O. BOX 28010 ALBUQUERQUE, NM 87125-8010 | | | 1 Gross distribution \$ 5,068.62 | | | 2a Taxable amount \$ 161.18 | | | OMB No. 1545-0119 2021 Form 1099-R: Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans IRAs, Insurance Contracts, etc. This information is being furnished to the Internal Revenue Service. | | |
| RECIPIENT'S Name, street address, city or town, state or province, country, and ZIP or foreign postal code Envelope # BBGCKZBBBBBB JOHN Q. SAMPLE 123 MAIN STREET SUITE ABC ANYTOWN, USA 12345-0000 | | | 2b Taxable amount not determined <input type="checkbox"/> Total distribution <input type="checkbox"/> | | | 3 Capital gain (included in box 2a) \$ 0.00 | | | 4 Federal income tax withheld \$ 0.00 | | |
| Customer service phone number 800-634-9361 | | | 5 Employee contributions/ Designated Roth contrib. or insurance premiums \$ 0.00 | | | 6 Net unrealized appreciation in employer's securities \$ 0.00 | | | COPY C For Recipient's Records | | |
| PAYER'S TIN ***-**-3456 | | | 7 Distribution code(s) 7 IRA/ SEP/ SIMPLE | | | 8 Other \$ 0.00 % | | | 9a Your percentage of total distribution | | |
| Account number 987654321 | | | 9b Total employee contributions \$ 0.00 | | | 14 State tax withheld \$ 0.00 | | | 15 State/Payer's state no. MA/81117448408 | | |
| FORM 1099-R | | | 17 Local tax withheld | | | 16 State distribution | | | 18 Name of locality | | |
| www.irs.gov/form1099r | | | 19 Local distribution | | | Department of the Treasury - Internal Revenue Service | | | | | |

For illustrative purposes only. Certain categories of transactions in the sample may not pertain to your contract. The PAYER'S information differs from the form, illustrated here, for annuity contracts issued in New York and for contracts issued by third-party insurance carriers that are distributed by Fidelity Brokerage Services, Member NYSE, SIPC, and Fidelity Insurance Agency, Inc.

Important sections of the 1099-R form include:

RECIPIENT'S TIN: Individual's nine-digit tax identifier number is now truncated to provide only the last four digits. Trust identification numbers will not change.

Account number: Your annuity contract number.

Box 1: Reports the total amount taken from your annuity contract, including income taxes and fees withheld, if any.

Box 2a: Reports part of the distribution that is generally taxable. In cases in which we know that the distribution is generally **not** taxable (such as a 1035 exchange), the amount reported will be zero. If the box is blank, we were not able to determine the taxable amount of the distribution. If there is an amount listed here, it will be reported to the IRS as taxable income. The "Total distribution" box in Box 2b will be checked if all the assets have been distributed from the account.

Box 4: Reports any federal income tax withheld from your distribution. Include this on your income tax return as tax withheld, and if Box 4 shows an amount (other than zero), attach Copy B of your Form 1099-R to your federal income tax return.

Box 7: Defines how the money that has been taken out is reported to the IRS. For example, Code 6 is a 1035 tax-free transfer and Code 7 is a normal distribution.

Note: Nonqualified annuity distribution codes will be followed by the letter D to identify distributions that may be subject to additional tax under Internal Revenue Code (IRC) Section 1411.

Boxes 14-15: Report state tax and withholding information.

Boxes 3, 6, 8, and 9b do not apply to your annuity contract. In addition, Fidelity does not currently complete Boxes 16-19.

Frequently Asked Questions

Why am I receiving a Form 1099-R?

Generally, the IRS requires Fidelity to issue a Form 1099-R if you received a distribution from your annuity.

I exchanged my annuity to a non-Fidelity annuity during 2021. This was nontaxable. Why am I receiving a 1099-R?

Although a 1035 exchange is not a taxable event, it still needs to be reported to the IRS. Box 2a should show the taxable amount as **\$0.00**, and the distribution code in Box 7 should be marked as "6," which denotes the nontaxable 1035 exchange.

Can I view my Form 1099-R online at Fidelity.com?

Yes. If you are an owner of an in-force annuity contract, you can view your tax form online by accessing [Fidelity.com/statements](https://www.fidelity.com/statements) and selecting the *Tax Forms* tab. You can also sign up to be notified via email that your tax forms are available instead of receiving them by mail by accessing [Fidelity.com/eDelivery](https://www.fidelity.com/eDelivery) and updating your preferences.

Am I required to report information contained in Form 1099-R on my federal income tax return?

Yes. Distributions from your annuity are generally reportable on Form 1040, Form 1040-SR, or 1040-NR. You are required to attach Copy B of your 1099-R to your federal income tax return only if federal income tax is withheld and an amount is shown in Box 4.

Please refer to the official IRS instructions for Form 1040, Form 1040-SR, or 1040-NR, or consult your tax advisor for more information.

My full distribution amount is less than my tax cost basis. Why am I receiving a 1099-R?

Although the distribution was not taxable, it is still considered a reportable event, so we have provided the 1099-R for your records. The taxable amount of the distribution should be stated as \$0.00 in Box 2a.

Distributions from your annuity are generally reportable on Form 1040, Form 1040-SR, or 1040-NR.

Please refer to the official IRS instructions for Form 1040, Form 1040-SR, or 1040-NR, or consult your tax advisor for more information.

I exchanged my annuity during 2021. Who will send me my tax forms?

If you exchanged your annuity in 2021, your enclosed Form 1099-R includes only distribution activity from the time you began conducting business in this annuity. You should also be receiving a Form 1099-R from the previous company for any distribution activity that occurred before your annuity was exchanged.

What if I changed my tax withholding state during the tax year?

If you changed your tax withholding state during the year, you will receive a separate 1099-R for distributions taken while residing in each state.

If you did not report a tax withholding state change, you will receive a 1099-R for the withholding state currently on file for your annuity contract. Please consult your tax advisor for assistance with filing.

You are encouraged to consult your tax advisor concerning the use of the information in this brochure in preparing your 2021 income tax return.

If you have questions about the information provided, please call the Annuity Service Center at 800-634-9361, Monday through Friday, from 8:30 a.m. to 7 p.m. Eastern time.



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