



The Variable Annuity Life Insurance Company

THE TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA)

Each year, VALIC provides information to help you complete federal and state withholding elections. VALIC is not providing tax or legal advice. The distribution you receive from your VALIC pension or annuity may be subject to mandatory federal and/or state income tax withholding. However, for certain pension or annuity distributions, you may elect whether to have withholding apply, as well as the amount of any withholding.

Below is information that can help you determine your federal/state income tax withholding obligations.

Federal Withholding/Notification Requirements

- Distributions taken from your account are subject to federal income tax withholding unless you are eligible to elect out of federal withholding and you affirmatively elect to do so. VALIC is required to withhold federal income tax if the funds are considered an eligible rollover distribution (ERD) or are mailed to an address outside the United States. See IRS Publication 575 for a discussion of your withholding options.
- If you are eligible to, and elect not to, have withholding apply to your distribution, you may still be required to pay federal and state income tax on the taxable portion of your payment or distribution. See IRS Publication 575 for a discussion of your withholding options.
- If you are eligible to, and elect not to, have federal withholding apply, or if you have insufficient federal income tax withheld from your distribution, you may be responsible for payment of estimated tax and possible penalties associated with the estimated tax rules.

State Withholding/Notification Requirements

- State income tax withholding may apply to your VALIC pension or annuity distribution if required or allowed under the state's laws. The information provided below may help you determine your state income tax withholding options.
- For any state with an income tax obligation that is not listed in the chart below, state withholding is optional. This means that you may request and have state withholding apply to your distribution.

For these states, if federal withholding is required to your pension or annuity distribution, state taxes may require withholding. If federal withholding does not apply, state withholding is optional.	AR, CA, DE, GA, IA, KS, ME, MD, MA, MI, MS ¹ , NE, NC ² , OK, OR ³ , PA, VA, VT ²
For these states, no state withholding will apply to your distribution.	AK, FL, IL ⁴ , MS, NH, NV, SD, TN, TX, WA, WY

¹ Mandatory withholding for distributions subject to the 10% federal early withdrawal tax penalty
² Eligible rollover distribution
³ Periodic eligible rollover distribution
⁴ No state withholding on qualified plan distributions

Additional State Requirements

For distributions taxable in Maine, you must provide us with a Personal Withholding Exemption Variance Certificate if your Maine exemptions exceed your federal exemptions. The form can be obtained from the Maine Department of Revenue at 207-626-8475 or through its website at www.maine.gov.

For distributions taxable in Massachusetts, your state withholding exemptions must be provided to us on a Massachusetts Form M-4P. The Form can be obtained from the Massachusetts Department of Revenue at 617-887-6367 or through <http://www.mass.gov/dor/docs/dor/forms/wage-rpt/pdfs/m-4p.pdf>.

For distributions taxable in Arizona, your state withholding request must be provided to us on an Arizona A-4P. The form can be obtained from the Arizona Department of Revenue through the Web address at <http://www.azdor.gov/Forms/Withholding.aspx>.

For distributions taxable in Montana, you can reach the Montana Department of Revenue Customer Service Center at 406-444-6900 or at www.revenue.mt.gov for answers to your Montana tax questions.

Please note: If you do not have enough state income tax withheld from your withdrawal or surrender, you may be responsible for payment of estimated tax. You may incur penalties under your state estimated tax rules if your withholding and estimated tax payments are not sufficient.

In response to the above notification, you may choose either of the following options.

If you do not wish to change your current federal or state tax withholding exemptions, **NO ACTION IS REQUIRED**. VALIC will continue to apply your existing exemption instructions to your distributions in the manner previously elected.

If you would like to change your tax withholding election on the distributions you are currently receiving, please contact us at 1-800-448-2542. A Customer Service Representative will be glad to assist you. You may request IRS Form W-4P at 1-800-829-3676 or directly retrieve it from the IRS website at <https://www.irs.gov/forms-pubs/about-form-w4p>. Withholding based upon your new instructions will begin with the payment following the month we receive your signed and dated withholding instructions.

Please bear in mind that the information in this letter is general in nature and may be subject to change. All companies mentioned, their employees, financial professionals and other representatives are not authorized to give legal, tax or accounting advice. Applicable laws and regulations are complex and subject to change. Any tax statements in this material are not intended to suggest the avoidance of U.S. federal, state or local tax penalties. For advice concerning your individual circumstances, consult a professional attorney, tax advisor or accountant.

You have many choices for meeting your retirement needs. We are truly honored to have you as a client and look forward to helping you realize your financial goals for retirement. If you have questions or require additional information, please contact your VALIC financial advisor or a Customer Service Representative at 1-800-448-2542 (for hearing and speech impaired access, dial 1-800-248-2542 TDD), Monday through Friday, from 7:00 a.m. to 8:00 p.m. (CT).