



## Inherited Non-Qualified Annuity (NQA) Information Disclosure Statement

The terms used in this disclosure statement have the same meaning as defined in the policy.

### **1. What is an Inherited NQA?**

When the Owner of a deferred NQA (hereinafter referred to as the "Deceased Owner") dies and has named you as a beneficiary, you may direct that the death proceeds be exchanged under section 1035 of the Internal Revenue Code ("Code") for a new policy issued as an Inherited NQA. The Inherited NQA is subject to all of the fees and charges and all other provisions as outlined in the policy.

### **2. Who is the Owner of an Inherited NQA?**

An Inherited NQA is established in the name of the Deceased Owner for the benefit of the Beneficiary (the Inherited NQA will be titled, for example, as Tom Smith as Beneficiary of John Smith, deceased). However, you are entitled to exercise all rights under the Inherited NQA, including the right to name a Beneficiary in the event of your death. You will be named as the Annuitant under the Inherited NQA.

### **3. What is the benefit of an Inherited NQA?**

An Inherited NQA policy allows you, the nonspouse beneficiary of the original NQA, to receive distributions from the Inherited NQA over your life or over a period of years not exceeding your life expectancy. By receiving distributions from the Inherited NQA over a period of time rather than as a single sum, you can spread out the tax due on the original NQA's death proceeds.

### **4. Will I have to pay taxes on Annuity Income Payments and any other withdrawals I receive from my Inherited NQA?**

Yes. The taxable portion of Annuity Income Payments and other withdrawals made from your Inherited NQA is treated as ordinary income for the tax year in which the Annuity Income Payments or withdrawals are received.

### **5. Can I name Beneficiaries of my Inherited NQA?**

Yes. You have a right to name Beneficiaries of your Inherited NQA.

### **6. Can I make additional contributions to my Inherited NQA?**

No. You cannot make additional contributions to your Inherited NQA.

### **7. When must Required Minimum Distributions Under my Inherited NQA start?**

Required Minimum Distributions under an Inherited NQA generally must start no later than one year after the death of the Owner of the original deferred NQA policy. If more than one year has elapsed since the Owner's death, you are eligible for a NYL Inherited Non-Qualified Annuity only if you started to receive required distributions under Code section 72(s) from the original deferred NQA policy within one year of the Owner's death.

### **8. Can I satisfy my Required Minimum Distributions for my Inherited NQA by taking distributions from another policy?**

No. You cannot satisfy your Required Minimum Distribution requirement for your Inherited NQA by taking distributions from another policy. You must receive your Required Minimum Distribution every year from your Inherited NQA.