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# Immediate Annuity to Long Term Care Funding Request for Existing Immediate Annuity Contracts with Irrevocable Assignment

from Genworth Life and Annuity Insurance Company, Genworth Life Insurance Company, Genworth Insurance Company and Genworth Life Insurance Company of New York<sup>†</sup>

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As of January 1, 2010, a non-qualified immediate annuity directly funding a traditional Long Term Care insurance policy (LTCI policy) as defined in Section 7702B of the Internal Revenue Code may be reported as a non-taxable 1035 exchange.

The Genworth companies, its affiliates and representatives do not provide tax advice. The discussion of tax matters and reporting in this material is our interpretation of current tax law and is not intended as tax advice. We reserve the right to change the information reporting described below to comply with forms and instructions issued by the Internal Revenue Service.

Genworth will no accept an LTCI premium payment made by 1035 exchange past the premium due date - any payment made within the grace period must be out-of-pocket.

In addition:

A 1035 exchange from a Genworth annuity to pay a first year LTCI premium will not be permitted unless the annuity contract has been in force for at least 60 days prior to the LTCI premium due date. Note: For subabilit reasons, if the purpose for buying an annuity is to use it to pay LTCI premiums, the contract should not be applied for prior to the LTCI applicant being approved for coverage.

A 1035 exchange from a Genworth annuity to pay LTCI premiums due in subsequent years will not be permitted unless the annuity contract is issued and all 1035 exchange request forms are received in good order by us at least 10 business days prior to the LTCI premium due date.

**You should consult a tax professional for information relating to your particular situation.**

## 1. Tax treatment information

The owner(s) and annuitant(s) of the immediate annuity contract must be the same. They must also be the same as the policyholder(s) of the LTCI policy.

Use this form to certify that all or the specified portion of your non-qualified immediate annuity payment will directly fund your LTCI policy identified in section 2, below.

If you complete this form, we will report the portion of your immediate annuity payment directly funding your LTCI policy with a taxable amount: 0 (zero).

To qualify for 1035 exchange tax treatment, the insurance company issuing your LTCI policy must be listed as the Payee for the specified portion of your immediate annuity payment funding your LTCI policy.

If, at any time, your immediate annuity payment is no longer funding your LTCI policy, normal tax reporting rules will apply.

Normal tax reporting rules apply to any portion of your immediate annuity payment that is not directly funding your LTCI policy and will receive a separate Form 1099-R.

Unless you have already specified the withholding treatment for these amounts, you will need to complete the Tax Withholding for Annuity Payments Form and, where required, to obtain your desired withholding treatment, your state's official withholding certificate.

We require an irrevocable assignment of all or a portion of the immediate annuity contract, in order to report immediate annuity payments funding your LTCI policy as a 1035 exchange.

Note: California participates in the IRS combined reporting program and receives a copy of the federal Form 1099-R. Nevertheless, you should be aware that California has declined to adopt for state income tax purpose the provisions of federal tax law that make 1035 exchanges to fund LTCI nontaxable. Accordingly, notwithstanding any Form 1099-R that you may receive, 1035 exchanges to fund long term care insurance may result in California income tax liability.

**Please complete the information on page 2.**




<sup>†</sup>Only Genworth Life Insurance Company of New York is admitted in and conducts business in New York.

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**2. Payment information**

 Please indicate the insurance company that will receive your immediate annuity payments to fund a LTCI policy.

Payee name *LTCI issuing company*

▪  
LTCI policy number

▪  
Amount to fund LTCI

▪  
Address of LTCI holding company *If LTCI policy is not held by Genworth*

**3. Irrevocable assignment**

To ensure accurate tax reporting of your immediate annuity payments, you must notify us at any time your LTCI premium payments are no longer required and a change of payee is needed.

Your immediate annuity contract consists of the right to receive a series of periodic payments and may also provide other rights and benefits. The undersigned has designated that all, or a specified portion, of each immediate annuity payment be directed to the Payee indicated above, as each long term care insurance premium becomes due, to fund the LTCI policy. The undersigned irrevocably assign to the payee indicated above all or a portion of the immediate annuity contract, corresponding to the amount of immediate annuity payments to be used to pay for long-term care insurance during the years when premium is due.

**The undersigned understand that while this assignment is in effect, any right to accelerate or commute payments or to receive payments under the assigned portion of the immediate annuity contract will be subject to the assignment. The right to receive annuity payments under any unassigned portion of the immediate annuity contract will not be affected.**

**The assignment will end upon the cessation or suspension of premium payments under the LTCI policy (whether due to filing of an LTCI claim or termination of the LTCI policy).**

Notwithstanding any previous withholding elections with regard to my SPIA payments, I do not wish to have federal or state tax withheld from any SPIA payment used to pay for long term care insurance.

**Owner printed name**

▪  
**Owner signature** Date of signature



X  
**Joint owner printed name (if applicable)**

▪  
**Joint owner signature (if applicable)** Date of signature

Other signatures that may be required include: **spouse** (if community property state), **irrevocable beneficiary** (must sign with title), and **collateral assignee** (if contract is collaterally assigned).



X  
**Other required signature** Date of signature



X  
 Trustee       Attorney-in-fact *POA*  
 Guardian       Title/office:

**Immediate annuity contract number (for existing contract Owners)**

▪

**4. Form submission**

Send completed form to:

**Regular first class:**

Genworth  
Attn: Annuity Services  
P.O. Box 2000  
Lynchburg, VA 24506

Fax: 434 948.5440

**Overnight delivery:**

Genworth  
3100 Albert Lankford Drive  
Lynchburg, VA 24501