



IRS Form 1099-R Information and FAQ

AuguStar will mail Form 1099-R to all contract owners, with a qualifying event, by January 31st. Please allow time for the U.S. Postal Service to deliver the tax documents.

What is reported as taxable

- Annuities are taxed when you withdraw money or receive payments. Any amount on which the owner has not already paid taxes is considered taxable income.
- Roth conversions and some ownership changes are also considered taxable events. Please consult with your tax advisor for guidance.
- For qualified contracts, purchased with pre-tax funds, the entire amount of withdrawal is taxed as ordinary income.
- For non-qualified contracts, purchased with after-tax money, the gain above the cost basis (original premium) is taxable when a withdrawal is taken.

Who will receive Form 1099-R?

- Individual contract owners who received taxable distributions or incurred a taxable event between 1/1/2024 and 12/31/2024.
- Jointly owned contracts will receive one 1099-R for a taxable event. The 1099-R will be sent to the primary owner of the contract.
- Contracts owned by multiple beneficiaries will receive separate 1099-Rs. Each 1099-R will reflect the portion of the disbursement that was received by the individual beneficiary.

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- Qualified Charitable distributions will also be reported on a 1099-R. The letter sent to the owner, after a charitable distribution is made, should be included when filing their taxes.
- AuguStar is required to report a 1035 exchange of non-qualified contracts to the IRS. This transaction is reportable, but not taxable. Form 1099-R will reflect the taxable amount as \$0.

Reasons a Form 1099-R may not be received

- Contract owners who did not distribute funds from the contract or have a taxable event in the 2024 tax year.
- For qualified contracts, distributions were made directly to another custodian or qualified plan.
- Also, for qualified contracts, the contract owner initiated a direct transfer of funds sent directly to another financial institution (owner did not take possession of the funds).
- For non-qualified contract owners, the contract owner's distributions were a return of premium only (aka cost basis).
- Also, non-qualified contracts where the distribution was made directly to the corporation that owns the contract.
- Contract owners who moved and have not updated their address of record with AuguStar.



Products issued by AuguStar Life Insurance Company. Product, product features and rider availability vary by state. Issuer/Issuers not licensed to conduct business in NY.

AuguStar Life Insurance Company

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