

Annuity Tax Checklist

Bring this to your tax preparer | Reviewed October 2026

Facts for my tax preparer

☐ Money is **qualified** (IRA / plan) or **non-qualified** (after-tax).

Cost basis (after-tax money paid in): \$ _____

Current contract value: \$ _____

My age at the first withdrawal: _____

Key rules to ask about

☐ Non-qualified withdrawals are generally taxed earnings first (Pub. 575).

☐ 10% additional tax before 59 1/2 unless an exception fits.

☐ Income payments: part may be a tax-free return of cost (exclusion ratio).

☐ 1035 exchange: no tax on the gain now, but a new surrender period generally starts.

More to ask

- ☐ IRA annuity: how do required withdrawals work for this contract?
- ☐ Net investment income tax: 3.8% above \$200,000 single / \$250,000 joint (MAGI).
- ☐ If I die: how will my beneficiaries be taxed?

Questions for my tax preparer

Sources: General education only. Figures from IRS, Social Security and Medicare sources, reviewed October 2026. Sources: IRS Publication 575, 26 U.S.C. 72 and 1035, Rev. Proc. 2011-38, Publication 590-B, IRS NIIT page.