

MAINE
State Income Tax Withholding Notice
for Qualified Periodic and Non-Periodic Pension and Annuity Payments

Withholding of Maine State income tax is required from the taxable portion of periodic and non-periodic pension and annuity payments made to residents of Maine.

If you file an election not to have Federal income tax withheld from your payment(s), you will automatically be treated as having elected out of state income tax withholding. If you have not elected out of Federal income tax withholding you CANNOT elect out of State income tax withholding. However, you may elect to have state income tax withheld even if no Federal income tax is being withheld.

Periodic Payments: Withholding will be calculated using the percentage of wages method, using the marital status and number of exemptions claimed for federal purposes.

If you elect out of Federal income tax withholding, and you want state tax to be withheld, complete a federal tax election form by writing “*For Maine Purposes*” on the top of the form. Withholding may be calculated by the percentage of wages method or by designating a flat amount or percentage to be withheld.

If you do not make a Federal or state income tax withholding election, Maine state income tax will be withheld as if you claimed “Single” with “zero” exemptions.

Non-Periodic Payments: If federal income tax is withheld, 5.0% of the taxable payment will be withheld. If you elect out of Federal income tax withholding, and if you want state income tax withheld, complete a federal tax election form and by writing “*For Maine Purposes*” on the top of the form, designating a flat dollar amount or percentage to be withheld.

If you have elected out of Federal income tax withholding and do not want State income tax withheld you do not need to take any action.

Your election will become effective with the payment that is due at least one month after our receipt of the election and will remain in effect until you change or revoke it. You may change or revoke your election by filing another election form with us. Copies can be obtained from the following address:

The Prudential Insurance Company of America
P.O. Box 5370
Scranton, PA 18507
(800) 621-1089

Please note that withholding is a method of paying taxes. It does not increase or decrease the total amount of taxes you must pay. Penalties may be incurred under the estimated tax payment rules if sufficient tax is not paid either through withholding, estimated taxes, or both.