PRESIDENTIAL LIFE INSURANCE COMPANY

69 LYDECKER STREET
NYACK, NEW YORK 10960
(845) 358-2300

NOTICE OF WITHHOLDING ON PERIODIC PAYMENTS

The annuity payments you receive from Presidential Life Insurance Company will be subject to Federal income tax withholding unless you elect not to have withholding apply. Withholding will only apply to the portion of your annuity payment that is already included in your income subject to Federal income tax and will be like wage withholding. Thus, there will be no withholding on the return of your own nondeductible contributions to the contract.

You may elect not to have withholding apply to your annuity payments by returning the signed and dated election on the reverse side of this notice to Presidential Life Insurance Co., 69 Lydecker St., Nyack, NY 10960. Your election will remain in effect until you revoke it. You may revoke your election at any time by returning the signed and dated revocation to the address above. Any election or revocation will be effective no later than the January 1, May 1, July 1, or October 1 after it is received, so long as it is received at least 30 days before that date. You may make and revoke elections not to have withholding apply as often as you wish. Additional elections may be obtained from us upon request.

If you elect not to have withholding apply to your annuity payments, or if you do not have enough Federal income tax withheld from your annuity payments, you may be responsible for payments of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. **PLEASE CONSULT YOUR ACCOUNTANT OR TAX ADVISOR FOR FURTHER ADVICE.**

Special State Tax Withholding Information:

CA, DE, GA, IA, KS, MA, ME, NC, OK, OR, and VT require that if you elect to have Federal Income Tax withheld from your annuity payments, then we must automatically deduct State income tax also.

VA – if you elect to or are required to have Federal Income Tax withheld from your annuity payments, then we must automatically deduct State income tax also, unless the distributions are from an IRA or SEP. You may however, elect to have **VA** income tax withheld on any payment on which **VA** withholding is not mandatory.

DE, KS, **ME, NC, OR, VT** – if the annuity is subject to 20% mandatory withholding on TSA or other Qualified Plan Distributions then State Income Tax is also required. Otherwise you may opt out of State Tax Income withholding.

GA, IA, MA, OK - You cannot opt out of State Tax Withholding if you elect to have Federal Tax withholding.

CA - You may opt out of State Tax Withholding even if you elect to have Federal Income Tax withheld on payments.

If you do not withhold for Federal Income Tax, you still may elect state withholding even if you opt out of Federal Income Tax withholding except for the states listed below:

AK, FL, HI, NH, NV, SD, TN, TX, WA, WY -State Income Tax Withholding is not allowed. State tax withholding may not be elected. Do not complete the State Tax Withholding Section.

If you reside in any other state, the state tax withholding election is voluntary. State Income Tax will be withheld only if you instruct us to do so.

ELECTION FOR RECIPIENTS OF PERIODIC PAYMENTS
AND CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER

IF YOU ARE NOT A U.S. PERSON YOU MUST COMPLETE A FORM W-8- CERTIFICATE OF FOREIGN STATUS OF BENEFICIAL OWNER FOR UNITED STATES TAX WITHHOLDING AND A W7 – APPLICATION FOR IRS INDIVIDUAL TAXPAYER IDENTIFCATION NUMBER

Instructions:
1. Check Box A or B to indicate whether or not you want Federal income tax withheld.
2. Check Box C or D, to indicate your State tax withholding preference. **See special state tax information on reverse side of this form**.
3. Fill in Social Security Number or Federal Taxpayer Identification Number
4. Read and follow Certification Instructions

FEDERAL INCOME TAX WITHHOLDING

A.   I *do not want* to have Federal income tax withheld from my annuity payments.

B.   I *want* to have Federal income tax withheld from my annuity payments in the amount of
_____ per payment. (Indicate amount or % to be withheld). If you reside in **CA, DE, GA, IA, KS, ME, MA, NC, OK, OR, VT, or VA and you elect Federal income tax withholding we may have to automatically withhold for state tax. See the reverse side of this form.**

STATE INCOME TAX WITHHOLDING (See special state tax information on the reverse side of this form.) State withholding does not apply to states not having State income taxes.

C.   I do not want to have State income tax withheld from my annuity payments.

D.   I want to have State income tax withheld from my annuity payments in the amount of
_____ per payment. (Indicate amount or % to be withheld).

Name of Taxpayer: _____   Policy #_____

Address: _____

City, State, & Zip Code: _____ Daytime Telephone#:_____

Social Security Number or Taxpayer Identification Number: _____

Certification - Under penalty of perjury, I certify that:
(1) The number shown on this form is my correct Social Security Number or Taxpayer Identification Number, and
(2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.
(3) I am a U.S. person (including a resident alien)
Certification Instructions - You must cross out item (2) above **if** you have been notified by IRS that you are subject to withholding because of under-reporting interest or dividends on your tax return. However, if after being notified by IRS that you were subject to backup withholding you received another notification from IRS that you are no longer subject to backup withholding, do not cross out item (2).

Signature:_____Date: _____
        (If signing on behalf of a corporation, please indicate your title.)

Return your completed election to: Presidential Life Insurance Company-69 Lydecker Street-Nyack, NY 10960

IMMEDIATE ANNUITIES ONLY
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