

## 1099 Tax-Reporting Notification

As a reminder:

A collateral assignment allows an agent or entity the ability to assign commission payments to a third party.

- An agent or entity that collaterally assigns commission payments to a third party retains the tax payment responsibilities for the commission payments.
- However, to the extent that the assignment is the result of a complete sale or merger, the assigned commissions would be reportable and potentially taxable to the assignee.
- Our records may indicate that an agent (the assignor) has an assignment of commissions on record and a third party (the assignee) has been receiving a Form 1099 from American General Life for tax filing purposes. In order for American General Life to provide a Form 1099 to the third party (the assignee), American General Life must have on file an absolute assignment by the agent (the assignor) showing the assignment to the third party (assignee) was a result of a complete purchase or merger.
- To the extent that an absolute assignment is not in place, the Form 1099 will be directed to the agent of record.
- If an assignment was the result of a complete purchase or a merger, please complete an Absolute Assignment form (AGLC106563), which is located on our website <http://estation.americangeneral.com> under Form's Depot. The completed form can be faxed to 877-484-3142 or emailed to [getappointed@aglife.com](mailto:getappointed@aglife.com).