

EMPLOYEES LIFE COMPANY (MUTUAL)

ELECTION/WITHHOLDING FOR PAYEES OF NON-PERIODIC PAYMENTS

IMPORTANT NOTICE

INSTRUCTIONS:

Please read the Notice below and instructions on the enclosed Form W-4P.

If you don't want us to withhold Federal Income Tax, check the box on line 1 of the enclosed Form W-4P.

If you want us to withhold Federal Income Tax on Distributions or Withdrawals, insert the amount you want to withhold in line 3 of Form W-4P.

Please return the bottom portion of Form W-4P to us at the address shown below after completing all details, signing, and dating it.

IF YOU DON'T MAKE AN ELECTION, THE LAW REQUIRES US TO WITHHOLD 10% FOR NON-PERIODIC PAYMENTS.

NOTICE OF WITHHOLDING ON DISTRIBUTIONS OR WITHDRAWALS FROM
NON QUALIFIED ANNUITIES, IRAS, ENDOWMENT OR LIFE INSURANCE POLICY (CONTRACT)

The withdrawals you receive from Employees Life Company (Mutual) are subject to Federal Income Tax withholding unless you elect not to have withholding apply. Withholding will only apply to the portion of your withdrawal that is included in your income subject to Federal Income Tax. Thus, for example, there will be no withholding on the return of your own nondeductible contributions (other than IRAs) to the contract, if any.

You may elect not to have withholding apply to your withdrawal by completing, signing, and dating the bottom portion of the enclosed election Form W-4P and returning it by mail or in person to Employees Life Company (Mutual), 916 Sherwood Drive, Lake Bluff, IL 60044.

If you do not return the bottom portion of Form W-4P, completed in all respects, before the date your withdrawal is scheduled, Federal Income Tax will be withheld from the taxable portion of the withdrawal as stated above.

If you elect not to have withholding apply to your withdrawal, or if you do not have enough Federal Income Tax withheld from your withdrawal, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Enclosure