

INSTRUCTIONS

To request a distribution, complete all applicable sections of this form, obtain any required signatures, and return the form to. If you have questions about the completion of this form, call us at 888-976-8171.

PLAN SPONSOR INFORMATION

Plan Name

Contract/Account No. Affiliate No. Division No.

PERSONAL INFORMATION (For distribution by check, any address change on this distribution request will require your notarized signature)

Social Security No. Date of Birth
(mm/dd/yyyy)

First Name/Middle Initial Last Name

Mailing Address

City State Zip Code

Phone No. Ext.

E-mail Address

MARITAL STATUS

Complete this section to confirm or change your marital status on file for this plan.

Marital Status: Married Single/Divorced

Please note that for purposes of indicating your marital status under the plan, both the IRS and DOL have indicated that a domestic partnership or a civil union would be considered 'single'.

REASON FOR DISTRIBUTION/ROLLOVER

- Termination
- Retirement
- Qualified Domestic Relations Order (QDRO)

TYPE OF DISTRIBUTION.

Note: Please review all of the distribution options below and complete the option(s) that best describes your distribution request.

Cash Distribution Options (Complete this section if you are requesting a full or partial cash distribution of your account)



Full Cash Distribution-100%

Rollover Options (Complete this section if you are requesting a full or partial rollover of your account)

TYPE OF ROLLOVER

- Rollover to a Traditional IRA or SIMPLE IRA (*The SIMPLE IRA must be at least two years old*)
- Rollover to a Roth IRA
- Rollover my taxable portion to a Traditional or SIMPLE IRA and my non-taxable portion to a Roth IRA
- Rollover to an eligible retirement plan (e.g. qualified plan, 403(b) plan or governmental 457(b) plan).

- Full Rollover** - Roll over my entire account.

Rollover/Distribution Combination Options (Complete this section if you are requesting both a rollover and a cash distribution of your account)

With this option, you can choose to take a partial distribution from your account and rollover the remainder, or vice versa (request a partial rollover and take the remainder as a distribution).

Choose one:

- Distribute the amount specified below to me (including taxable money if needed) and rollover the remainder.
\$ _____ from my account

- Rollover the amount specified below and distribute the remainder to me (including taxable money if needed).
\$ _____ from my account

For rollovers of non-Roth to a Roth IRA, you will be taxed on the amount includible in gross income as if the distribution was not rolled over.

PAYMENT OPTIONS AND INFORMATION

For Distributions Payable to Member: (Complete only if electing a full or partial cash distribution of your account balance)

- Direct Deposit to my bank account. *This is an electronic transfer of funds directly into your bank account, generally within two business days of the withdrawal from your account, at no cost to you. A completed Payment Options form (attached) is required.*
- Check. *Please note that our policy is to wait 10 business days from the check issue date before placing a stop payment at the bank. If any change of address was indicated in the Personal Information section, your notarized signature will be required in the Member Signature section.*

Note: If one of the above payment options is not selected, or if a completed Payment Options form does not accompany this form, your distribution will be processed in the form of a check.

For Rollovers Payable to IRA/Plan Provider(s): Please complete the IRA/Plan Provider payee information below. For rollovers to more than one provider, payment options for additional providers can be noted on the Supplemental Rollover Form included with this form.

Any rollover of \$250,000 or more must be processed in the form of a wire transfer.

Any rollover for less than \$5,000 must be processed in the form of a check.

If you do not select an option below, and your rollover is for less than \$250,000, your rollover will be processed in the form of a check.

- Wire transfer: **A completed Payment Options form (attached) is required**
- Check: **If any change of address was indicated in the Personal Information section, your notarized signature will be required in the Member Signature section.**

Make check payable to the following IRA/Plan Provider:

Name: _____

Street Address: _____

City, State, Zip: _____

Account No. _____

Contact Name/Phone No. _____



Money Type and Dollar amount _____

TAX WITHHOLDING ELECTION FOR CASH DISTRIBUTION

Mandatory Federal Income Tax Withholding - If this distribution is an eligible rollover distribution, 20% mandatory federal income tax withholding applies unless the distribution is paid as a direct rollover to an eligible retirement plan or Traditional IRA.

Optional Federal Income Tax Withholding - If this distribution is not an eligible rollover distribution, 10% federal income tax will be withheld unless you elect otherwise. If this distribution is subject to 20% mandatory federal income tax withholding, do not check below - it does not apply.
 Do not withhold 10% optional federal income tax

State Income Tax Withholding - State Tax withholding rules vary by state. Each state either (a) permits state tax withholding if elected, (b) does not permit state tax withholding, (c) has mandatory state tax withholding, or (d) allows you to opt out of state tax withholding by completing your state's form. If your address of record is within a state that does not permit state tax withholding, no taxes can be withheld. If your address of record is within a state that has mandatory state tax withholding, state taxes must be withheld from your distribution in accordance with your state's rules. If your address of record is within a state that allows an independent election to opt out of the withholding if you submit that state's form, state tax will be withheld unless you elect otherwise by submitting the required state tax opt out form. Please consult a tax advisor if you have questions regarding state tax withholding.

- Do not withhold state income tax (if independent election is permitted)
- Withhold state income tax: _____%

- Net of taxes - The amount you requested is the amount after taxes are withheld. This will result in a larger total withdrawal to you.
- Gross of taxes - The amount you requested is the amount before taxes are withheld. This will result in a smaller payment to you.

Note: If one of the above boxes is not checked, your withdrawal will be processed as a gross amount.

TAX WITHHOLDING ELECTION FOR DIRECT ROLLOVER

The direct rollover of any portion of your account balance is generally not subject to mandatory federal or state tax withholding. If you have chosen to make a direct rollover to a **Roth IRA** from a non-Roth account, and you want to voluntarily have federal and/or state tax withheld on the taxable portion of such rollover, indicate the applicable percentages below. Please note that a qualified distribution of Roth money and earnings is a non-taxable distribution.

Federal _____% State _____%

In the event that a portion of your account is paid to you in cash and has not previously been taxed, or if you default on your outstanding loan, the following tax withholding may apply:

Federal Income Tax Withholding - 20% mandatory tax withholding applies.

State Income Tax Withholding – State Tax withholding rules vary by state. Each state either (a) permits state tax withholding if elected, (b) does not permit state tax withholding, (c) has mandatory state tax withholding, or (d) allows you to opt out of state tax withholding by completing your state's form. If your address of record is within a state that does not permit state tax withholding, no taxes can be withheld. If your address of record is within a state that has mandatory state tax withholding, state taxes must be withheld from your distribution in accordance with your state's rules. If your address of record is within a state that allows an independent election to opt out of the withholding if you submit that state's form, state tax will be withheld unless you elect otherwise by submitting the required state tax opt out form. Please consult a tax advisor if you have questions regarding state tax withholding.

- Do not withhold state income tax (if opt out is permitted)
- Withhold state income tax: _____%

MEDALLION SIGNATURE GUARANTEE

A request for a withdrawal of \$150,000 or more requires that this completed form be stamped with a *medallion signature guarantee*. You can obtain a medallion signature guarantee from a financial institution such as a commercial bank, savings bank, credit union, or broker-dealer. **A notary is NOT a medallion signature guarantee, and the original form with a medallion signature must be presented to your Plan Sponsor for approval.**

Please note, for this purpose, the value of the withdrawal is based on the amount available (for full distributions and rollovers) on the date of processing and multiple



withdrawal requests within a 14-day period that total \$150,000 or more will also be subject to the medallion signature guarantee requirements.

MEDALLION SIGNATURE GUARANTEE (REQUIRED FOR WITHDRAWALS OF \$150,000 OR MORE)

Please place the medallion signature guarantee in the space below:

MEMBER SIGNATURE

Please note: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim from a group annuity contract issued in New York, containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed \$5,000 and the stated value of the claim for each such violation. States other than New York also have insurance fraud statutes, which impose penalties for any violation thereof.

For members required to take a minimum distribution during the current year, please note: If you have not already taken your required minimum distribution (RMD) for the current year, the amount needed to satisfy the RMD will be distributed as part of a separate transaction made payable to you prior to the processing of your direct rollover request. If you do not have a Minimum Distribution Request Form on file with Transamerica that indicates otherwise, 10% federal tax withholding will apply to the RMD transaction.

For Married Member: I elect to waive qualified Joint and Survivor benefits with respect to the amount I have requested to be withdrawn from the plan. I understand that such waiver is not effective unless I obtain the written consent of my spouse, witnessed by my Plan Sponsor or a Notary Public.

I understand that for a cash distribution, I may have to report this to the IRS and pay appropriate income taxes on the taxable portion not rolled over. I have received and read the Special Tax Notice Regarding Plan Payments. I represent that for a direct rollover the receiving plan or IRA will accept this on my behalf, and is an eligible retirement plan permitted by law to receive eligible rollover distributions, and that I am eligible to rollover this distribution to such plan or an IRA.

I hereby warrant that all of the statements and information contained in this request/form(including my current marital status) are true in all respects. I understand that if I have made any false or misleading statements in this request that such statements could result in significant tax consequences and/or other monetary damages to the Plan, my Plan Sponsor and Transamerica. Moreover, I hereby agree to indemnify and hold (a) the Plan, (b) Transamerica, and (c) my Plan Sponsor harmless from any tax consequences and/or other monetary damages that may result in whole or in part from my false and misleading statements certify that the information provided on this form is correct and complete.

Note: If you have not yet established your Transamerica online account and provided an email address or if you have recently made changes to any of your contact information, in order to have your request processed timely, **please have the notary stamp placed in the space provided below.** The Plan Administrator may choose to waive the notary requirement by initialing in the appropriate box in the Plan Sponsor Approval section of this form.

X _____ Member Signature	X _____ Date
X _____ Print Name	X _____ Social Security Number
X _____ Notary Public Signature and Stamp	X _____ Date

SPOUSAL CONSENT (IF MARRIED)

I consent to my spouse's waiver of survivorship benefits with respect to the amount to be withdrawn from the plan. I understand that this consent means that I will not receive any survivor benefits under this plan upon my spouse's death with respect to this amount. I understand that I do not



have to consent to the waiver of survivorship benefits; however, if I do consent by signing below, I may not revoke my consent.

Transamerica will accept faxed documents for gross distribution requests of less than \$50,000, provided that where spousal consent is also required, the spouse's signature must be duly witnessed by a notary using his/her notary stamp. (A gross distribution is the amount of the requested withdrawal prior to deduction of any tax withholding.)

For gross distribution requests: (a) of \$50,000 or more or (b) involving notarized spousal consents that do not show the notary's stamp - either because the notary's state/district does not permit use of a notary stamp (e.g., Alabama, Washington, DC) or for any other reason permissible by the notary's state - original documents must be mailed, not faxed.

X _____
Spouse Signature

X _____
Date

WITNESSED

X _____
Notary Public Signature and Stamp/Seal

X _____
Date

PLAN SPONSOR APPROVAL

Note: This distribution request cannot be processed unless all applicable sections of this form have been completed. The information requested below only applies for participants who have terminated employment.

Status: Terminated _____ Retired _____
Termination Date Retirement Date

Have all contributions been remitted? Yes No N/A (participant has not terminated)

Period end date of final contribution _____ (Processing will be delayed until final contribution is received.)

I certify that this transaction is permissible under the provisions of the plan, that any required consents and waivers have been obtained, and that the information provided on this form is correct and complete.

X _____
Plan Sponsor Signature

X _____
Date

By Initialing in the Box to the Right, I hereby also Waive the Notary Public requirement for the Participant's Signature []



Supplemental Rollover Form

INSTRUCTIONS: Complete this page only if rolling over assets to more than one provider.

Additional IRA/Plan Provider information:

Make payable to: _____
Name _____
Street Address _____
City, State, Zip _____
Account No. _____
Contact Name/Phone No. _____
Money Type and Dollar amount _____

Payment Options *If one of the below payment options is not selected, this distribution will be processed in the form of a check. Please provide payment option for the IRA/Plan provider listed above.*

- Wire transfer
 Check:

ABA No. | _ | _ | _ | _ | _ | _ | _ | _ | _ |
Bank Name _____
Institution Name (Rollover Company) _____
Institution Address _____
Bank Account No. _____
"Further Credit To" _____

Important: *Because a bank receiving wire transfer funds does not verify with Transamerica the identity of the account holder (the account number you indicate on this form), in order to protect you and your retirement plan against fraudulent withdrawals from your account, your signature must be notarized.*

I certify that the indicated account is held in my name and the information provided on this form is correct and complete.

X _____ **X** _____
Member Signature Date

X _____
Print Name

Certificate of Acknowledgement

State of _____ County of _____

On _____ (notary date), before me, _____ (notary name printed),
personally appeared, _____ (member name printed)

- personally known to me -- OR --
 proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

X _____ **X** _____
Notary Public Signature and Stamp/Seal Date



This information only applies to defined contribution retirement plans subject to the joint and survivor annuity requirements. The information provided in this Explanation is intended to be general in nature; not all plan provisions and options are available under your plan. To confirm the specific terms of your plan, or to confirm if your plan is subject to these requirements, please refer to your Summary Plan Description or contact your Plan Administrator.

General

As a plan participant, you may generally receive benefits when you reach your normal retirement age under the plan or terminate employment, provided your plan account has monies in it available for your withdrawal. However, some money purchase plans require an employee who terminates employment prior to the early/normal retirement age under the plan to wait until a certain age to withdraw his/her funds. If your plan allows in-service withdrawals for hardship or upon your attainment of age 59 1/2 or for any other reasons, you may also elect to receive benefit payments if you have satisfied the applicable plan requirements. If you are married on the date your benefit payments begin, you will be paid automatically in the form of a Qualified Joint and Survivor Annuity. This means that you will receive a monthly benefit for the rest of your life, and then after you die, your spouse, if living, will receive a monthly benefit for as long as he or she lives.

Your surviving spouse's monthly benefit must be at least half of (and not more than 100%) the monthly benefit you would have received. Receiving benefits in this form usually means that your monthly benefits will be less than what you would receive under other forms of benefit. The reason for this difference is that Qualified Joint and Survivor Annuity benefits are intended to be paid over two lifetimes (yours and your spouse's).

You may elect to receive benefits in a form other than a Qualified Joint and Survivor Annuity, but your spouse must consent to this election, in writing, witnessed by your Plan Administrator or a Notary Public. If you wish to designate a person other than your spouse as your beneficiary, you must obtain your spouse's written consent to your beneficiary designation. If established to the satisfaction of your Plan Administrator that your spouse cannot be located, spousal consent is not required. Generally, your benefit election may be made and/or cancelled only during the 180 days before your benefit starting date. If you waive the Qualified Joint and Survivor Annuity, then cancel such waiver prior to the date that benefit payments begin, your benefit will be paid in the form of a Qualified Joint and Survivor Annuity pursuant to the provisions of the plan. If you properly waive the Qualified Joint and Survivor Annuity benefit, you may elect one of the forms of benefit indicated below.

Please note, the plan may provide that if the cash value of your benefit is less than a specified amount (generally \$5,000 or less, if any), your benefit will be paid to you in a single sum, or automatically rolled over to an IRA (if required by federal law).

If you are *not* married on the date your benefit payments begin, you will be paid automatically in the form of a Straight Life Annuity unless you elect a different form of benefit. Under a Straight Life Annuity, you are paid a monthly benefit for your lifetime with no benefit payable upon your death.

Upon written request to your Plan Administrator, you may obtain further information, including the approximate amounts payable under the Qualified Joint and Survivor Annuity and other forms of benefit available under the plan.

Under the provisions of the plan, you may, with your spouse's consent if you are married, request that your benefit be paid under the optional form of benefit which is best suited to your particular needs and circumstances. The amount of monthly income payable will depend upon the form of payment elected, your age (and your designated beneficiary's age) as well as your vested account balance as of your retirement date, or, if earlier, date of this election.

Summary of Forms of Benefit

Qualified Joint and Survivor Annuity - Beneficiary is Surviving Spouse: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you are married on the date your benefit payments begin, upon your death your surviving spouse will, depending on the provisions of your Plan Administrator's plan, receive a monthly income for life equal to at least one-half (and not more than 100%) of the amount of monthly income you were receiving.

Life Annuity with Period Certain: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you die during the period certain which begins on your benefit starting date, the monthly income will be continued to your designated beneficiary for the remainder of the period certain. The beneficiary may elect that such payment be made in a lump sum.

Straight Life Annuity - No Years Certain: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you die after your benefit starting date, there will be no death benefit payable. If you are not married on the date benefits are to begin, payment will be made in this form unless you elect another form of benefit.

Fixed Period Certain Annuity - No Life: A monthly income is payable to you beginning on your benefit starting date, in equal installments over a specified period of not less than 60 nor more than 240 months. If you die during the specified period elected, the income will be continued for the remainder of the specified period to your designated beneficiary. You may elect that such payment to your beneficiary is to be made in a single sum.



Contingent Annuity - Beneficiary is *not* Surviving Spouse: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you are survived by the contingent annuitant (beneficiary) you have named, a monthly income will be continued during the lifetime of the contingent annuitant. If you are married, you must obtain your spouse's consent to the designation of the contingent annuitant. The percentage of the reduced benefit which you may specify to be continued to the contingent annuitant may be either 100%, 75%, 66 2/3%, or 50%.

Single Sum Payment: Instead of lifetime monthly income payments, the vested balance in your account will be paid in a single sum.

Installment Payment (specific limitations may apply to this option under the terms of your plan): Instead of lifetime monthly income payments, the vested balance in your account will be paid in installment payments.

Partial Payment: Instead of lifetime monthly income payments, the vested balance in your account will be paid in partial payments.

Comparison of Forms of Benefit

These examples compare benefits under a Qualified Joint and Survivor Annuity and other forms of benefit that may be available under the plan. The examples are based on specific assumptions and certain interest rates and mortality rates. The amounts shown are estimates, provided to illustrate the differences among the various options and are not intended to represent the actual amount payable to you. Upon your request, a more precise calculation will be provided. Your request should be sent to the address below if in writing. If you wish to call in your request, see the number provided below for you to call.

Assume a participant retiring at age 65 has a spouse of the same age and a \$200,000 account balance.

Age 65 Commencement

Form of Benefit	Benefit to Participant	Benefit to Spouse/Beneficiary After Participant's Death
Qualified Joint and Survivor Annuity		
50%	\$ 914.31 per month	\$ 457.16 per month
66.7%	\$ 890.56 per month	\$ 593.71 per month
75%	\$ 879.15 per month	\$ 659.36 per month
100%	\$ 846.58 per month	\$ 846.58 per month
Straight Life Annuity	\$ 993.76 per month	
Life Annuity with 5 Years Certain	\$ 988.91 per month	
Life Annuity with 10 Years Certain	\$ 974.01 per month	
Period Certain 5	\$ 3,392.05 per month	
Period Certain 10 Years	\$ 1,814.58 per month	

Any annuity elected will be provided by purchasing an annuity contract from an insurance company with your vested account balance under the plan. Dollar amounts shown do not reflect any required tax withholding.

Joint and Survivor Annuity Waiver Rights

You have at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity and elect another form of benefit. If, after receiving this Explanation, you affirmatively elect a distribution and your spouse consents to that form (if necessary), your distribution may be made less than 30 days from the date this Explanation was given to you provided:

- Your distribution election is revocable until the later of (a) your benefit starting date, or (b) prior to the expiration of the 7-day period that begins the date after you receive this Explanation;
- Your benefit starting date is a date after the date you received this Explanation;
- Distribution in accordance with your benefit election is paid more than 7 days after the date this Explanation was provided.

Consequences of You Taking the Distribution Instead of Deferring Receipt of the Distribution

If you are eligible to receive a distribution from the plan, but also have the right to defer receipt of such distribution because, e.g., the value of your nonforfeitable account balance exceeds \$5,000 (or such lower automatic cash-out limit set by the plan), your decision not to defer receipt of your distribution includes the following consequences: (1) if you do not make a rollover within 60 days of receipt of the payment, you will be taxed on the taxable amount of the distribution not rolled over, and (2) for participants who are under 59 1/2 and/or who separated from service prior to the year they attained 55 at the time they take the distribution, an IRS early distribution 10% penalty tax may apply to the taxable portion of such distribution.

Right to Request Participant-Specific Information

You have the right to request specific information with respect to each form of benefit available to you under the plan, including a description of the financial effect of electing each form of benefit available to you under the plan. Written requests should be sent to your Plan Administrator.



Instructions:

This form must be accompanied by a completed Distribution form. Complete this form, obtain any required signatures, and return the form to your Plan Sponsor. Choose one of the three payment options listed on the form. Option 3 for Direct Deposit is only available for the taxable distribution portion of combination rollover/distribution requests. Note: This request cannot be honored if your Plan Sponsor provided instructions to Transamerica that all loan or distribution checks must be mailed directly to them for subsequent delivery to you. If you have any questions regarding this form, please contact your Plan Sponsor.

PLAN SPONSOR INFORMATION

Plan Name	ABC-NABET Retirement Trust Supplemental Plan		
Contract/Account No.	650327	Affiliate No.	00001
		Division No.	

PERSONAL INFORMATION FOR DISTRIBUTION BY CHECK, ANY ADDRESS CHANGE ON THIS PAYMENT OPTIONS WILL REQUIRE YOUR NOTARIZED SIGNATURE

Social Security No.		Date of Birth (mm/dd/yyyy)	
First Name/Middle Initial		Last Name	

1. OVERNIGHT MAIL DELIVERY FROM UNITED PARCEL SERVICE (UPS)

- A check will be released for overnight delivery within seven (7) calendar days from the date that Transamerica receives all required documentation and approvals. A fee (up to \$50) will be deducted from your Transamerica account or from the distribution amount.
- To deliver the check to an alternate address, indicate the name of the addressee and that address below. If an alternate address is not listed, the check will be mailed to your address of record. Note: A request for an alternate address will require your notarized signature below. If an address is listed without your notarized signature, you will receive notification that your distribution request could not be processed.

Contact Name: _____

Street Address: _____

City, State, Zip: _____

Note: UPS will not deliver to a PO Box, military post office or US territory, except Puerto Rico.

Note: if you have not already both (1) set up your online account and (2) provided Transamerica with your email address (or if you have been directed to submit this request with your notarized signature), in order to have your request timely processed, **please have the notary stamp placed in the space provided below.**

I certify that the information provided on this form is correct and complete. I authorize the overnight fee (up to \$50) to be deducted from my account balance.

X _____ **X** _____ **X** _____
 Participant Signature Date Social Security Number

X _____ **X** _____
 Notary Public Signature and Stamp/Seal Date



2. WIRE TRANSFER

Wire transfer is available for direct rollovers or plan transfers of at least \$5,000. Any amount less than \$5,000 must be processed in the form of a check.

ABA No. | _ | _ | _ | _ | _ | _ | _ | _ |

Bank Name _____

Provider Name _____

Provider Address _____

Bank Account No. _____

"Further Credit To" _____

Important: Because a bank receiving wire transfer funds does not verify with Transamerica the identity of the account holder (the account number you indicate on this form), in order to protect you and your retirement plan against fraudulent withdrawals from your account, your signature on this form must be notarized, unless you have obtained a Medallion Signature Guarantee stamp on the Distribution request form.

I certify that the indicated account is held in my name and the information provided on this form is correct and complete.

X _____ **X** _____
Participant Signature Date

X _____
Print Name

CERTIFICATE OF ACKNOWLEDGEMENT

State of _____ County of _____

On _____ (notary date), _____ (participant name printed),

personally appeared before me, _____ (notary name printed)

personally known to me -- OR --

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal

X _____ **X** _____
Notary Public Signature and Stamp/Seal Date



YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your employer's retirement plan is eligible to be rolled over to a Traditional IRA, a Roth IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Section I of this notice describes the rollover rules that apply to payments from the Plan that are *not* from a designated Roth account (a type of account with special tax rules in some employer plans).

Section II applies if you also receive a payment from a designated Roth account in the Plan, in which case the plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

Generally, neither a direct rollover nor a payment can be made from the Plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

Section I: GENERAL INFORMATION ABOUT ROLLOVERS FROM YOUR RETIREMENT PLAN (Not Including Any Designated Roth Account)

How can a rollover affect my taxes?

You will generally be taxed on a payment from the Plan if you do not roll it over. However, rollovers to a designated Roth account within the Plan or to a Roth IRA that are not from a designated Roth account are subject to taxation, as discussed below. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 1/2 (or if an exception applies).

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

You may also roll over the payment to a designated Roth account within the Plan.

How do I do a rollover?

There are two ways to do a rollover. You can generally do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 1/2 (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70 1/2 (or after death);
- Hardship distributions;
- ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The plan administrator or the payor can tell you what portion of a payment is eligible for rollover.



If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution;
- Payments for certain distributions relating to certain federally declared disasters; and
- Phased retirement payments made to federal employees.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status.)

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS For Payments From Your Retirement Account (Not Including Your Designated Roth Account)**If your payment includes after-tax contributions:**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid by you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.



If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60 day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline:

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If your payment includes employer stock that you do not roll over:

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59 1/2, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset:

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

If you were born on or before January 1, 1936:

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan:

If the plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the plan even if you are under age 59 1/2 (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance:

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA:

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).



If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59 1/2 (or after your death or disability, or as a qualified first-time home buyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, *Individual Retirement Arrangements (IRAs)*

You may roll over a payment from the Plan to a designated Roth account within the Plan.

If you do a roll over to a designated Roth account in the Plan:

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59 1/2 (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

If you are not a Plan participant:

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse: If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70 1/2.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 1/2.

If you are a surviving beneficiary other than a spouse: If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien:

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules:

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.



Unless you elect otherwise, a mandatory cash-out of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the plan administrator or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with the plan administrator or payor, or a professional tax advisor, before taking a payment from the plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590, *Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

Section II: FOR PAYMENTS FROM A DESIGNATED ROTH ACCOUNT

YOUR ROLLOVER OPTIONS

This section of the notice applies if you are receiving all or a portion of a payment from your employer's plan that is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

Rules that apply to most payments from a designated Roth account are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS FOR PAYMENTS FROM A DESIGNATED ROTH ACCOUNT

How can a rollover affect my taxes?

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions (generally, distributions made before age 59½) will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59 1/2 (or after your death or disability) and after you have had a designated Roth account in the plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the plan or, if earlier, to the designated Roth account in the other employer plan.

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457 plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?

There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.



If you do not do a direct rollover, you may still do a rollover by making a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59 1/2 (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70 1/2 (or after death);
- Hardship distributions;
- ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if S corporation stock is held by an IRA).

The plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If a payment is not a qualified distribution and you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Payments for certain distributions relating to certain federally declared disasters.

If I do a rollover to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from a Roth IRA when you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan.



However, there are a few differences for payments from a Roth IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline:

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If your payment includes employer stock that you do not roll over:

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59 1/2, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

If you have an outstanding loan that is being offset:

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset is not a qualified distribution and you do not roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA.

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

If you receive a nonqualified distribution and you were born on or before January 1, 1936:

If you were born on or before January 1, 1936, and receive a lump sum distribution that is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you receive a payment that is not a qualified distribution and you do not roll it over, you will not have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over, even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution that is not a qualified distribution made before age 59½ will be subject to the 10% additional income tax on earnings allocated to the payment (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.



If you receive a nonqualified distribution, are an eligible retired public safety officer, and your payment is used to pay for health coverage or qualified long-term care insurance:

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income nonqualified distributions paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you are not a Plan participant:

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the plan. Also, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse: If you receive a payment from the plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70 1/2.

If you are a surviving beneficiary other than a spouse: If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment as described in this notice).

If you are a nonresident alien:

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens & Foreign Entities.

Other special rules:

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (only including payments from the designated Roth account in the Plan) are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cash-out of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the plan administrator or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with the plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590, *Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

