
Central Midwest Regional Council of Carpenters
Defined Contribution Pension Plan
c/o John Hancock Retirement Plan Services, LLC
P.O. Box 940
Norwood, MA 02062-0940



Visit us at myplan.johnhancock.com or
call us at 1.833.388.6466.

Re: Hardship Withdrawal

Enclosed is your hardship withdrawal package. It includes a **HARDSHIP WITHDRAWAL FORM**, **HARDSHIP WITHDRAWAL GUIDELINES**, and **W-4R WITHHOLDING CERTIFICATE**. Use this package to withdraw available monies to satisfy a financial hardship. You may want to seek the advice of a professional tax advisor prior to choosing a withdrawal option. **Please follow the instructions in this package carefully.**

To process your request, follow all steps below:

- ☐ *Step 1: review the **HARDSHIP WITHDRAWAL GUIDELINES***
- ☐ *Step 2: fill in the dollar amount to be withdrawn under option A in the Request for Hardship Withdrawal section*
- ☐ *Step 3: check the reason for your hardship withdrawal under option B in the Request for Hardship Withdrawal section and submit the appropriate documentation*
- ☐ *Step 4: check your tax withholding election in the Tax Withholding section and provide requested information*
- ☐ *Step 5: attach a completed **W-4R WITHHOLDING CERTIFICATE** (required only if you elect to have tax withholding other than the standard default tax withholding applied to your payment)*
- ☐ *Step 6: sign the **HARDSHIP WITHDRAWAL FORM** where indicated in the Signature section*
- ☐ *Step 7: return all pages of the **HARDSHIP WITHDRAWAL FORM** (even if there is no election made on the page)*

Return form to:

Annuity Department: CMRCC PO BOX 969 TROY, MI 48099-0969.

If your withdrawal request is approved, payment will be sent to your address of record within 2 business days (a day on which the New York Stock Exchange is open) following receipt of the Plan Administrator approved form(s) by John Hancock Retirement Plan Services, LLC. Payment will be sent to the banking account you have provided on myplan.johnhancock.com. If you have not elected direct deposit, distribution check(s) will be mailed to the address on your account as of the date the distribution is processed. Checks over \$500,000 are sent via Priority Mail.

Please note that forms returned without original signatures or all necessary attachments, if applicable, will be denied and you will be notified and provided with the reason(s) for denial and any corrective actions. Returning forms to you for correction will delay the processing of your transaction. If you do not return the completed form(s) within 180 days from the date of this letter, you will be required to obtain a new form package. Also, please be aware that this form package may only be used once, and copies of this form may not be accepted for future use.

If you have any questions about the above, please log on to myplan.johnhancock.com or call 1.833.388.6466. The automated information line is available 7 days a week, 24 hours a day. Participant Service Representatives are available Monday through Friday, 8:00 a.m. to 10:00 p.m. Eastern Time, except on New York Stock Exchange holidays.

Thank you.



LO21055003

HARDSHIP WITHDRAWAL FORM
Central Midwest Regional Council of Carpenters
Defined Contribution Pension Plan

PARTICIPANT'S NAME	SOCIAL SECURITY NO.
CONTACT PHONE NUMBER	E-MAIL ADDRESS

I. REQUEST FOR HARDSHIP WITHDRAWAL

NOTE: You may obtain the dollar amount of your vested account that is available for a hardship withdrawal by contacting John Hancock.

- A.** I am applying to make a hardship withdrawal from my vested account in the amount of \$_____.
- This amount cannot exceed the amount of your financial need as supported by your acceptable documentation (see below) and is subject to the balance available for withdrawal in your account.
 - If the amount available to withdraw is less than the amount you requested, you will receive your entire available amount.
 - Any amount paid to you may be reduced by applicable taxes.
 - Only the amount supported by acceptable documentation will be processed, even if it is less than the amount requested. A subsequent request will be treated as a new hardship withdrawal.
 - The Plan limits the number of hardship withdrawals. If you do not submit complete documentation and your hardship is approved for a lesser amount based on the documentation that is acceptable, you will have to wait until you are again eligible to submit any subsequent requests.
- B.** I am requesting a hardship withdrawal for the following reason(s). (Indicate the reason for the hardship request below and submit the appropriate documentation to substantiate your request. Refer to the attached Hardship Withdrawal Guidelines for a list of required documents.)

Select all that apply:

- ☐ To purchase my principal residence (excluding mortgage payments)
- ☐ To pay unreimbursed expenses for medical care for me, my spouse, or any of my dependents
- ☐ To pay unreimbursed tuition and related educational expenses for the next 12 months of post-secondary education for myself, my spouse, or any of my dependents
- ☐ To make payments necessary to prevent eviction from my principal residence or foreclosure on the mortgage of my principal residence
- ☐ To pay for funeral and/or burial expenses for my deceased parent, spouse, child or dependent
- ☐ To repair damage to my principal residence due to fire, storm, disaster, or other casualty that can be deducted on tax return under casualty provision (determined without regard to whether the disaster is federally declared or whether the loss exceeds 10% of adjusted gross income)



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HARDSHIP WITHDRAWAL FORM
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PARTICIPANT'S NAME	SOCIAL SECURITY NO.

II. TAX WITHHOLDING

Hardship withdrawals are considered nonperiodic payments (not eligible for rollover), and as such, 10% federal income tax withholding will apply to your payment, in addition to any applicable state tax withholding, unless you choose to have a different federal tax rate applied to your payment by completing the attached **FORM W-4R WITHHOLDING CERTIFICATE**. The distribution may also be subject to an additional 10% early withdrawal penalty if you are under age 59½.

You have the option to increase the amount of your hardship withdrawal to cover the applicable federal and state withholding by electing below:

☐ I elect to increase the amount of my hardship withdrawal to cover the applicable federal and state income tax withholding.

III. SIGNATURE

I certify that I am requesting a hardship withdrawal to satisfy my immediate and heavy financial need for the reason(s) indicated above as supported by the attached documentation. I further certify that the amount requested does not exceed the amount required to satisfy my financial need, and that I have no alternative means reasonably available to satisfy such financial need. I also certify that I have insufficient cash or other liquid assets to satisfy this financial need.

I certify that I have obtained all other currently available distributions (other than hardship distributions) under the Plan and any other deferred compensation plans (qualified and nonqualified) maintained by my employer.

I understand that I have the option to have this distribution directly deposited into my bank account by accessing myplan.johnhancock.com to set up my banking information or to confirm existing banking information on file, if applicable.

I certify that there is no pending domestic relations order or court approved domestic relations order which has, or will, assign all or a part of my vested account to my spouse, former spouse, child or other dependent. I understand that a false statement by me may result in legal damages for which I will be fully responsible.

I certify that the information provided, including the attached documentation, is true and accurate. I acknowledge that the payment amount may be less than the specific dollar amount I may have requested above due to Plan limitations and/or market fluctuations that may affect the amount available for withdrawal at the time payment is made. I understand that this withdrawal may not be repaid to the Plan and that I may not make more than one hardship withdrawal(s) in any plan year.



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HARDSHIP WITHDRAWAL FORM
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PARTICIPANT'S NAME	SOCIAL SECURITY NO.

Under penalties of perjury, I certify that:

1. The Social Security number / taxpayer identification number I provided on this form is my correct taxpayer identification number.
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person, including a U.S. resident alien (as defined in the IRS Form W-9 instructions).

Certification Instructions

You must check the box below if you have been notified by the IRS that you are currently subject to backup withholding because you failed to report all interest and dividends on your tax return.

☐ I am subject to backup withholding as a result of a failure to report all interest and dividends.

Since the Plan is an account held in the United States, you are not required to provide a code indicating that you are exempt from FATCA reporting.

Note: The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I certify under penalty of perjury (under the laws of the United States of America) that the information I have provided, including any attached documentation, is true and accurate.

Signature of Participant: _____ Date: _____

TO BE COMPLETED BY PLAN ADMINISTRATOR

The request for the above Participant is: ☐ **APPROVED** ☐ **NOT APPROVED**

If approved, the Custodian is hereby authorized to process the request.

Plan Administrator: _____ Date: _____

Date form received by Plan Administrator: _____

Return this form to: Annuity Department: CMRCC PO BOX 969 TROY, MI 48099-0969.



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HARDSHIP WITHDRAWAL GUIDELINES

REASON: Purchase of Principal Residence

Basic Requirements

- withdrawal request must be for purchase of principal residence of participant
- **amount requested cannot exceed amount needed as supported by documentation**

Required Documentation

FOR PURCHASE OF EXISTING HOUSE

- sales contract - must include closing date, buyer's (participant's) signature, seller's signature, current date, amount needed to purchase house, address of property
- mortgage/loan commitment letter - must include buyer's (participant's) name and signature, current date, amounts (such as closing costs) required to be paid to purchase house, address of property

FOR PURCHASE OF MOBILE HOME OR MANUFACTURED HOME

- sales contract - must include buyer's (participant's) signature, seller's signature or signature of authorized representative of company, current date, purchase price of home; may include down payment and closing costs

FOR CONSTRUCTION OF PRINCIPAL RESIDENCE

- contract - must include buyer's (participant's) signature, contractor's signature, current date (unless proof of extension), building cost; may include copy of construction loan

PURCHASE OF LAND FOR CONSTRUCTION OF PRINCIPAL RESIDENCE OR PLACEMENT OF MOBILE OR MANUFACTURED HOME

- contract - must include buyer's (participant's) signature, seller's signature, current date, purchase price, location of property
- documentation by contractor - must show intent for construction of principal residence within one-year timeframe

Non-Eligible Expenses

- amounts already paid (for example, down payment, deposits, earnest money) are not eligible for hardship withdrawal (Exception: bridge loan (i.e., where a loan is taken for a short term while the hardship is being processed))
- refinancing of the mortgage of a principal residence is not eligible

REASON: Payment of Unreimbursed Medical and Dental Expenses

Basic Requirements

- must be eligible medical* and/or dental expense (*for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of treating any structure or function of the body)
- amount must (1) not be covered by insurance, (2) not paid in its entirety by insurance, or (3) not previously paid by participant
- documentation cannot be older than 6 months
- **amount requested cannot exceed amount needed as supported by documentation**

Required Documentation

FOR MEDICAL EXPENSES INCURRED

- copy of bill(s) - must identify name of participant or dependent, service rendered, date of service, billed amount, amount paid by insurance (if applicable), outstanding amount

FOR MEDICAL EXPENSES NOT YET INCURRED

- doctor/hospital statement - must identify name of participant or dependent, service to be rendered, estimated cost of service; statement must be on doctor's/hospital's letterhead and signed by the provider
- letter from insurance carrier (if applicable) - must identify amount to be paid by insurance or denying coverage



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HARDSHIP WITHDRAWAL GUIDELINES

Non-Eligible Expenses

- cosmetic surgery is generally not eligible (unless required due to accident or medical condition)

REASON: Payment of Tuition and Related Educational Expenses

Basic Requirements

- tuition and/or related educational fees must be for a post-secondary education at an accredited college, university or trade school for either the participant, participant's spouse, or participant's dependents (post-secondary education must require individual to have a high school diploma or GED)
- expenses must be for the current semester or for next 12 months of education
- **amount requested cannot exceed amount needed as supported by documentation**

Required Documentation

TUITION AND BOARD

- copy of tuition and/or board bill - must include name of student and name of educational institution, fee for tuition (may be broken down by class) for the **current** or **next semester**, fee for board for **current** or **next semester**

RELATED EDUCATIONAL FEES - must include copy of tuition bill or letter of college enrollment along with the following appropriate documentation:

- copy of bill(s) or booklist - must show fees for labs or list from bookstore with price of books, current date
- copy of bill for computer - must have current date

Non-Eligible Expenses

- payment of outstanding student loan is not eligible

REASON: Prevention of Eviction or Foreclosure from the Participant's Principal Residence

Basic Requirements

- eviction or foreclosure must be on participant's principal residence
- date of eviction or foreclosure must be in the future
- **amount requested cannot exceed amount needed as supported by documentation**

Required Documentation

FOR EVICTION FROM APARTMENT COMPLEX OR PROPERTY RENTED BY INDIVIDUAL

- eviction notice - must identify name of participant (as tenant); provide participant's address, amount needed to prevent eviction, and date on which amount must be paid; be dated and signed by owner or representative of apartment complex or landlord; state that eviction proceedings will begin if amount not paid

FOR FORECLOSURE

- foreclosure notice - must be from mortgage company, other appropriate agency, or state or local taxing authority; identify name of participant; provide participant's address; amount needed to prevent foreclosure; date on which amount must be paid; be dated and signed by authorized representative of mortgage company, other appropriate agency and/or taxing authority; state that foreclosure proceedings will begin if amount not paid

Note: The address on the eviction or foreclosure notice must be the same as the address on your account, unless the address on your account is a P.O. Box. If the address on your account is a P.O. Box, you must submit a copy of a utility bill that states your physical address that matches the address on the eviction or foreclosure notice.



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HARDSHIP WITHDRAWAL GUIDELINES

Non-Eligible Expenses

- past due utility, water, and property tax bills are not eligible (*Exceptions*: Property tax bills that may lead to sale of principal residence if bill is not paid and utility and water bills that are included in an eviction notice.)

REASON: Payment of Funeral and/or Burial Expenses

Basic Requirements

- funeral and/or burial expenses must be for the participant's deceased parent, spouse, child or dependent
- documentation cannot be older than 6 months
- **amount requested cannot exceed amount needed as supported by documentation**

Required Documentation

- copy of funeral and/or burial bill – must identify names of family member (i.e., deceased parent, spouse, child or dependent) and billed amount

Non-Eligible Expenses

- amounts already paid through insurance

REASON: Repair Damage to Principal Residence Due to Casualty Loss

Basic Requirements

- damage to principal residence must be due to a casualty loss (fire, storm, disaster, or other casualty) that can be deducted on your tax return under casualty provision (determined without regard to whether the disaster is federally declared or whether the loss exceeds 10% of adjusted gross income)
- documentation cannot be older than 6 months
- **amount requested cannot exceed amount needed as supported by documentation**

Required Documentation

- documentation must describe cause of casualty loss (fire, storm, disaster, or other casualty) and date of casualty loss
- documentation must show amount covered/not covered by insurance
- copy of repair bill(s)/estimate to have damage repaired – must satisfactorily indicate that the repairs are needed due to casualty loss, describe the repairs, including the date(s) of repair (in process or completed), and cost/estimated cost of repairs

Non-Eligible Expenses

- amounts already paid through insurance



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CERTIFICATION OF MARITAL/SINGLE STATUS

Federal Law requires the Trustees to confirm whether a previous spouse is entitled to any portion of your pension benefits. As such, it is necessary that we request the following certification and supporting documentation. **Failure to complete this form fully, including signing it in front of a notary public, and providing ALL documentation requested, will result in a delay of the processing of your application.**

Your Name: _____ SSN: _____

Current marital status: ☐ SINGLE, NEVER MARRIED
☐ SINGLE, PREVIOUSLY MARRIED*
☐ MARRIED, NO PREVIOUS MARRIAGES
☐ MARRIED, WITH PREVIOUS MARRIAGE(S)*

*If you have had previous marriages, please list the names of your ex-spouses, the date(s) of marriage and date(s) of divorce (if any of your previous marriages ended due to the death of your spouse at the time, please list the date of death):

Ex-spouse's Name Date of Marriage Date of Divorce/Death

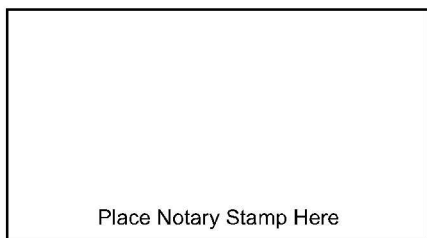
Please provide complete copies of ALL marriage certificates, divorce decrees, separation agreements, Qualified Domestic Relations Orders and any other accompanying documents related to the termination of your previous marriage(s). If any previous spouses have passed away, please provide a copy of the death certificate(s). If you do not have these documents, you should contact the appropriate court through which the proceedings occurred in order to obtain certified copies. For additional ex-spouses, please use the back of this form.

I hereby certify, subject to the penalty of perjury, that the above information is, to the best of my belief and knowledge, true and complete. ANY PERSON WHO SUPPLIES A FALSE CERTIFICATION IN CLAIMING A BENEFIT FORFEITS ANY RIGHT HE OR SHE MAY HAVE TO THE BENEFIT AND, UPON DISCOVERY, BECOMES LIABLE FOR FULL REPAYMENT OF ANY MONEY RECEIVED AS A CONSEQUENCE.

Your Signature

Your Social Security No.

Today's Date



Subscribed to and sworn to before me,
This _____ day of _____, 20 ____.

Notary Public, _____ County

State of _____

My Commission expires _____

Seal

***Notice to Notaries:** Federal Law (i.e., the Retirement Equity Act of 1984) requires that the above Form must be executed in the presence of an authorized Plan representative or a Notary Public. Accordingly, it is most important that you not only witness the actual signature identified above, but also examine their credentials to satisfy yourself that they are, in fact, the same persons as the ones identified.

A700 – CMRCC DC PLAN

Please Return To: CMRCC DC Plan
P.O. Box 1057
Attn: DC Pension
Troy, MI 48099 -1057

HARDSHIP FOR MEDICAL INVENTORY OF INVOICES

DATE OF INVOICE	DATE OF SERVICE	PROVIDER	PATIENT	AMOUNT
			GRAND TOTAL:	

If you need more room, please contact the Fund Office for additional forms.

Instructions:

List the invoices above for which you are seeking reimbursement - all sections must be completed. All invoices that you submit with your application must be listed on this sheet. These must be invoices direct from the medical provider and must be current (statement date must be within 45 days of application submission date). Balance-due statements, Insurance EOB's (Explanation of Benefits) and notices from collection agencies are not acceptable forms of proof. Please do not submit duplicate invoices or statements.

I hereby certify, subject to the penalty of perjury, that the above information is, to the best of my belief and knowledge, true and complete. **Any person who supplies a false certification (or duplicate invoices) in claiming a benefit forfeits any right he or she may have to the benefit and, upon discovery, becomes liable for full repayment**

YOUR SIGNATURE

DATE _____

**Withholding Certificate for Nonperiodic Payments and
Eligible Rollover Distributions**

Give Form W-4R to the payer of your retirement payments.

2026

1a First name and middle initial	Last name	1b Social security number
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Address

City or town, state, and ZIP code

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.

- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

2 Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals)	2	%
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**Sign
Here**

Your signature (This form is not valid unless you sign it.)

Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.**Purpose of form.** Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic

payments (payments made in installments at regular intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.**2026 Marginal Rate Tables**

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
16,100	10%	32,200	10%	24,150	10%
28,500	12%	57,000	12%	41,850	12%
66,500	22%	133,000	22%	91,600	22%
121,800	24%	243,600	24%	129,850	24%
217,875	32%	435,750	32%	225,900	32%
272,325	35%	544,650	35%	280,350	35%
656,700*	37%	800,900	37%	664,750	37%

*If married filing separately, use \$400,450 instead for this 37% rate.

General Instructions (*continued*)

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

Note: If you don’t give Form W-4R to your payer, you don’t provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2026, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions;
- Qualified long-term care distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$70,000 without the payment. Step 1: Because your total income without the payment, \$70,000, is greater than \$66,500 but less than \$121,800, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$90,000, is greater than \$66,500 but less than \$121,800, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$28,500 but less than \$66,500, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$80,000, is greater than \$66,500 but less than \$121,800, the

corresponding rate is 22%. The two rates differ. \$6,500 of the \$20,000 payment is in the lower bracket (\$66,500 less your total income of \$60,000 without the payment), and \$13,500 is in the higher bracket (\$20,000 less the \$6,500 that is in the lower bracket). Multiply \$6,500 by 12% to get \$780. Multiply \$13,500 by 22% to get \$2,970. The sum of these two amounts is \$3,750. This is the estimated tax on your payment. This amount corresponds to 19% of the \$20,000 payment (\$3,750 divided by \$20,000). Enter "19" on line 2.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment that you are eligible to receive from the Central Midwest Regional Council of Carpenters Defined Contribution Pension Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan or because all or a portion of your payment 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 such a rollover.

This notice describes the rollover rules that apply to payments from the Plan. Where these rules differ, based on whether the payment is from a designated Roth account or an account that is not a designated Roth account, those differences will be specified in each section of this notice.

You may have the right to defer your distribution which is described in the "Right to Defer Distribution" section. 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.

RIGHT TO DEFER DISTRIBUTION

Depending on your vested account balance and the Plan provisions, you may be able to defer distribution of your account. If you are eligible to defer and elect to do so, you may continue to invest your account in the Plan's investment options to the extent permitted by the Plan. By deferring distribution you will have access to investment options that may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment-related fees) outside the Plan may be different than those that apply to your account under the Plan. Refer to the Plan's Summary Plan Description ("SPD") or contact John Hancock at myplan.johnhancock.com or at 1.833.388.6466 to determine if the option to defer distribution is available to you. Your account will be subject to any restrictions and/or fees disclosed in the SPD, enrollment materials, and any required notices, copies of which you previously received. Additional copies as well as detailed Plan and investment information are available through John Hancock.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

Not a designated Roth account

You will be taxed on a payment from the Plan if you do not roll it over. 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 59½ (or if an exception to the 10% additional income tax applies). If you do a rollover to a Roth IRA, any amounts not previously included in your income will be taxed currently (see the section below titled "If you roll over your payment to a Roth IRA [Not a designated Roth account]").

Designated Roth account

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 portion of the payment that is earnings. 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 reach age 59½ (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?

Not a designated Roth account

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, IRAs are not subject to spousal consent rules 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.

Designated Roth account

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, Roth IRAs are not subject to spousal consent rules 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 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, or if your payment is from a designated Roth account, to your Roth IRA or designated Roth account in an employer plan. You should contact the IRA or 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 within 60 days based on the rules below:

Not a designated Roth account

You may make 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 59½ (unless an exception applies).

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS ROLLOVER OPTIONS

Designated Roth account

You may make 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 59½ (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 joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949 and before January 1, 1951), after age 73 (if you were born after December 31, 1950), or after death (designated Roth accounts are excluded from required minimum distributions for calendar years after December 31, 2023);
- Hardship distributions;
- Payments of employee stock ownership plan (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 that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA); and
- Distributions of certain premiums for health and accident insurance.

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?

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 (or earnings for a designated Roth account) not rolled over.

Not a designated Roth account

If you are under age 59½, 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.

Designated Roth account

If a payment is not a qualified distribution and you are under age 59½, 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.

Exceptions: 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 joint lives or joint life expectancies 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 (1) will be at least age 50 in the year of the separation or (2) have at least 25 years of service under the Plan;
- Payments from a tax-qualified plan or section 403(b) plan made after you separate from service if you are an employee who provides firefighting services and you (1) will be at least age 50 in the year of separation or (2) have at least 25 years of service under the Plan;
- Payments made due to disability;
- Payments made while you are terminally ill;
- 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 of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- 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 that you request to withdraw within 90 days of your first contribution;
- Payments of up to \$22,000 made in connection with federally-declared disasters; and
- Phased retirement payments made to federal employees (not applicable to *designated Roth account*).

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 exceptions for payments after you separate from service if you will be at least age 55 in the year of the separation (or age 50 or following 25 years of service for qualified public safety employees and employees providing firefighting services) do 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); and
- 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.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase;
- 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); and
- Payments of net income attributable to an excess IRA contribution made in a calendar year where such amounts are distributed by tax return deadline for the year (including extensions) and no deduction is allowed for the excess contribution.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS ROLLOVER OPTIONS

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 59½, 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 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); and
- 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.

Additional exceptions apply for payments from a Roth IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase; and
- 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 address any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

Not a designated Roth account

After-tax contributions included in a payment are not taxed. If you receive a partial payment of your total 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 the 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 to you, the portion 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 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.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion 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, 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

Not a designated Roth account

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 59½, 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, generally, the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

Designated Roth account

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 59½, 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, generally, the 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 loan offset amount is treated as a distribution to you at the time of the offset.

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 (such as a failure to make level loan repayments that results in a deemed distribution), you have 60 days from the date the offset occurs to complete your rollover.

Not a designated Roth account

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).

Designated Roth account

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS ROLLOVER OPTIONS

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 the 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.

If you were born on or before January 1, 1936

Not a designated Roth account

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 tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

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

Designated Roth account

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.

Not a designated Roth account

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 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 an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ 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.

Designated Roth account

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 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 receive a nonqualified distribution and 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

Not a designated Roth account

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 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 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

Designated Roth account

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 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

Not a designated Roth account

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. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

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 reach age 59½ (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-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If your Plan permits a rollover to a designated Roth account in the Plan

Not a designated Roth account

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over to 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. In general, the 10% additional income tax on early distributions will not apply. However, if 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, the 10% additional income tax will apply (unless an exception applies).

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 59½ (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). With respect to taxable years beginning after 2023, you are not

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS ROLLOVER OPTIONS

required to take required minimum distributions from a designated Roth account during your lifetime.

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 generally will be taxed in the same manner described elsewhere in this notice. For designated Roth accounts, 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, the special rule described under the section, "If you were born on or before January 1, 1936," applies only if the deceased participant was born on or before January 1, 1936, 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 deceased 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.

Not a designated Roth account

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 59½ 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 70½ (if you were born before July 1, 1949), age 72 (if you were born after June 30, 1949, and before January 1, 1951), or after age 73 (if you were born after December 31, 1950).

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 70½ (if the participant was born before July 1, 1949), age 72 (if the participant was born after June 30, 1949, and before January 1, 1951), or age 73 (if the participant was born after December 31, 1950).

Designated Roth account

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 59½ 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 70½ (if the participant was born before July 1, 1949), age 72 (if the participant was born after June 30, 1949, and before January 1, 1951), or age 73 (if the participant was born after December 31, 1950).

If you are a surviving beneficiary other than a spouse.

Not a designated Roth account

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.

Designated Roth account

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 QDRO. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for an account that is not a designated Roth account, for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it; for a designated Roth account, for example, you may roll over the payment to your own Roth IRA or to a designated Roth account in an eligible employer plan that will accept it). 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, and the payment is not a qualified distribution from a designated Roth account, the Plan is generally required to withhold 30% (instead of withholding 20%) of the payment (or earnings portion of the payment from a designated Roth account that is not a qualified distribution) 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 1040-NR 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 fewer than 10 years, your choice whether to do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

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.

Not a designated Roth account

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.

For Plans with mandatory cash out—Unless you elect otherwise, a mandatory cash out (as described in the Plan's summary plan description (SPD)) 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 or \$7,000 after 2023 ("dollar threshold"). Please refer to the Plan's SPD to determine if the dollar threshold includes any rollover contributions made to your account.

Designated Roth account

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 for federal income taxes. However, you can do a 60-day rollover.

For Plans with mandatory cash out—Unless you elect otherwise, a mandatory cash out (as described in the Plan's summary plan description (SPD)) will be directly rolled over to a Roth 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

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS ROLLOVER OPTIONS

the participant's benefit does not exceed \$5,000 or \$7,000 after 2023 ("dollar threshold"). Please refer to the Plan's SPD to determine if the dollar threshold includes any rollover contributions made to your account.

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-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from 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.