

OPERATIVE PLASTERERS' LOCAL UNION NO. 96 PENSION PLAN  
PO Box 1647  
Troy, MI 48099

410.872.9500

Dear Participant:

Pursuant to your request, enclosed please find the following forms and notices for your review and completion:

1. Benefit Application – Complete.
2. Rollover Election Form – Complete, if applicable.
3. Notice to Participants – Read Carefully.
4. Special Tax Notice – Read carefully.

Please complete and return the Application and, if applicable, the Rollover Election Form, to the address listed below. Upon receipt of these documents, we will process your Benefit Application as soon as administratively feasible.

Please return the Application to:

Operative Plasterers' Local Union No. 96 Pension Plan  
PO Box 1647  
Troy, MI 48099

Should you have any questions, please contact the Fund Office at 410.872.9500.

c: Participant File

**OPERATIVE PLASTERERS' LOCAL UNION NO. 96 PENSION PLAN**  
**BENEFIT APPLICATION**  
**For Distributions \$5,000 and Over**

INSTRUCTIONS: Please read this application carefully and completely before answering any questions. Print your answers clearly. If any section of the application is not clear to you, please contact the Fund Office. Do not skip any questions or leave out any of the information requested. If a section does not apply, write "n/a" in the blank. When you have completed your application, mail it to the Fund Office with proof of age and, if applicable, proof of disability, marriage or divorce and/or property settlements, and military service.

**I. PERSONAL DATA** - Include proof of age (i.e., a copy of your birth certificate) with your application.

A. Name \_\_\_\_\_  
Last First Middle

B. Social Security Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

C. Address \_\_\_\_\_  
Street  
City State Zip

D. Date of Birth \_\_\_\_\_ E. Telephone ( ) \_\_\_\_\_ F. Marital Status \_\_\_\_\_

G. What date do you wish to be your Annuity Starting Date? \_\_\_\_\_

**II. ELIGIBILITY** - Check the **one** box below that applies to you.

- ☐ You **are at least age 60 and** have terminated covered employment. *If you have checked this box, complete Sections IV and V of this application.*
- ☐ You are totally and permanently disabled and you have one year of service. *If you have checked this box, complete Sections III, IV and V of this application.*
- ☐ You are the Beneficiary of a Deceased Participant. If you have checked this box, complete Section V and provide a copy of the certified death certificate.
- ☐ You terminated covered employment at least six (6) months prior to submission of this Application

**III. DISABILITY** - You must attach medical evidence of your total and permanent disability to this application including a copy of any disability award you may have received.

- A. Date you became totally and permanently disabled \_\_\_\_\_
- B. Condition causing your total and permanent disability \_\_\_\_\_
- C. Have you been granted a disability award from the Social Security Administration [ ] Yes [ ] No

I hereby certify that as a result of an injury, disease, or mental disorder I am completely unable to engage in Covered Employment, and it is reasonably certain that my condition will continue during my remaining lifetime.

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

#### IV. SEPARATION FROM COVERED EMPLOYMENT

A. Are you working now? [ ] Yes [ ] No

B. When did you retire/last work in any employment for which contributions were required to be made to the Plan on your behalf? \_\_\_\_\_

C. Name and address of last contributing employer \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Name and address of present employer, if any \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E. Position with present employer, if any \_\_\_\_\_

#### V. BENEFIT ELECTION

##### 1. *Employee's Statement*

Complete one of the statements in Part **A** and, as applicable in Part **B**

**If you are married when benefit payments are scheduled to begin, distribution of your Accumulated Share, by law, is automatically paid as a 50% joint and survivor annuity.** The 50% joint and survivor annuity provides you with a monthly lifetime benefit. Upon your death, your spouse will receive a lifetime monthly benefit equal to 50% of the amount that you were being paid prior to your death. However, if you wish to waive the automatic 50% joint and survivor annuity, you and your spouse must complete this section and sign it in the presence of a Notary Public within 90 days immediately preceding the Effective Date. If you reject the 50% joint and survivor annuity, no benefit will be paid to your spouse unless he or she is your designated beneficiary. Please note that the Effective Date of your pension will be the day following receipt of the application in the Fund Office, unless a later date is necessary to satisfy the consent requirements of the Plan. If you want a later Effective Date you may need to complete a new application.

If you aren't married, payment will be paid under the basic form of a single life annuity with equal monthly installments payable to the participant during his lifetime with 36 payments guaranteed.

<p><b>Part A</b> includes your declaration of marital status and, if married, your decision regarding spousal benefits. (Check one box.)</p> <p><b>If you are married AND if you are REJECTING the 50% joint and survivor annuity</b>, your spouse must complete the Spouse's Statement (Section V.3).</p> <p>If you are not married you must complete the Statement by Unmarried Employees (Section V.2).</p>	<p><b>Part A</b> I declare as follows:</p> <p>I, _____, hereby state that I am not legally married at this time.</p> <p>I, _____, hereby state that I am unable to locate my spouse. (You must complete an additional form provided by the Fund Office.)</p> <p>I, _____, hereby state that I am legally married to the person co-signing this form and I acknowledge that my benefit payment will be in the automatic form of a 50% joint and survivor annuity.</p> <p>I, _____, hereby state that I am legally married to the person co-signing this form and that I waive the payment of my benefit in the automatic form of a 50% joint and survivor annuity in favor of the optional form of payment I have elected in Part B below. I understand that if I designate someone other than my spouse as my beneficiary in Part C below, my spouse will not receive any benefit payable by the Plan upon my death. I understand that my waiver of the 50% joint and survivor annuity is not effective without the written consent, witnessed by a Notary Public, of the person to whom I am legally married, and that I may revoke my waiver at any time within the 90-day period before the benefit becomes payable. I further understand that I may not change my form of benefit or beneficiary(ies) without the consent of my spouse unless he or she expressly permits such designations without his or her written consent.</p>
<p><b>Part B</b> includes your election of an optional form of benefit payment if you are rejecting the automatic monthly benefit form.</p>	<p><b>Part B</b> After consideration of the optional forms of distribution of my benefit, I reject the automatic 50% joint and survivor annuity, if I am married or the single life annuity, if I am unmarried and I elect to receive my benefit in the following form of payment (please check box):</p> <p><input type="checkbox"/> Purchase of an annuity contract with equal monthly installments payable for life with 120 monthly payments guaranteed</p> <p><input type="checkbox"/> Single Lump Sum payment (Complete the applicable sections of the Rollover Election Form to reject a direct rollover.)</p> <p><input type="checkbox"/> Direct Rollover (Complete payment instructions on page 2 of the Rollover Election Form.)</p> <p><b>NOTE:</b> <i>If you did not check the box above, your benefit will be paid in the appropriate automatic form.</i></p>
<p><b>Part C</b> includes your election to defer payment of your benefit. This option is only available if your vested account balance exceeds \$5,000. IRS rules may restrict your ability to postpone distributions.</p>	<p><b>Part C</b></p> <p><input type="checkbox"/> I elect to defer my distribution until further notice.</p> <p><input type="checkbox"/> I elect to defer my distribution until ____/____/____.</p>

<b>DESIGNATION OF BENEFICIARY</b>	<p>If a benefit is payable to a beneficiary following your death, the death benefit will be paid to your beneficiary as designated on your most recent beneficiary designation form received in the Fund Office prior to your death. If there is no living beneficiary, the death benefit will be paid to the persons listed in Section 11.18 and/or 11.19 of the Plan. You should review your beneficiary designation to make certain that it is up to date.</p>
<p><b>2. Statement by Unmarried Employees</b>          Complete this Section only if you are single, divorced, or widowed, or if you cannot locate your spouse.</p> <p>If you were formerly married, you must provide the information specified for <b>each</b> marriage.</p>	<p>I hereby state that I am not legally married at this time. I also state that I have not lived with anyone under any circumstances constituting a common law marriage in a state that recognizes common law marriage.</p> <p>Check the one statement that applies to you:</p> <p><input type="checkbox"/> I hereby state that I am not now, nor have I ever been married.</p> <p><input type="checkbox"/> I hereby state that I am unable to locate my spouse. (Additional proof will be required if you check this box.)</p> <p><input type="checkbox"/> I hereby state that I am not now married, but have been married and that the marriage(s) ended</p> <p><input type="checkbox"/> by death _____ (Provide date and attach a copy of the death certificates(s)).</p> <p><input type="checkbox"/> by divorce _____ (Provide date and attach a copy of divorce decree(s)).</p> <p>I recognize that the Plan may make inquiries about my marital status with various organizations and individuals and I consent to the release of any information about my marital status from my employers, my local and international union, any fringe benefit fund in which I may have participated, and any other organization or individual.</p>
<p><b>3. Spouse's Statement</b>          Your spouse <b>must</b> complete this section if you have waived the 50% joint and survivor annuity.</p>	<p>Spouse's Name _____</p> <p>Spouse's Address _____</p> <p>Spouse's Phone Number _____</p> <p>Spouse's Social Security Number _____</p> <p>Date of Marriage _____</p>

**Part A** I swear that I am the legal spouse of the employee described above. I understand the Plan is obligated to pay retirement benefits of married participants in the form of a 50% joint and survivor annuity which would provide me with a monthly lifetime pension equal to 50% of the monthly pension payable to my spouse when living, if he or she dies before me. I also understand that my spouse has the right to waive this requirement if I consent to the waiver. I understand that the effect of the waiver is to cause me to give up this survivor protection and the benefit paid to my spouse during his or her lifetime may be higher than if I had not consented to this waiver. Nevertheless, I hereby consent to the waiver of the 50% joint and survivor annuity and the election of \_\_\_\_\_ as the form of benefit payment to my spouse.

**Part B** I understand further that my spouse may not name someone other than me as beneficiary to receive any benefit payable under the Plan in the event of my spouse's death unless I consent to the designated beneficiary or waive my right to do so. I therefore consent to the designation of \_\_\_\_\_ as beneficiary. Such designation may not be changed or revoked without my consent.

My consent is irrevocable unless my spouse revokes his or her waiver of the 50% joint and survivor annuity.

Signature of Spouse \_\_\_\_\_ Date \_\_\_\_\_

State of \_\_\_\_\_ County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public, came \_\_\_\_\_, known to me, who executed the foregoing in my presence.

Notary Public: \_\_\_\_\_

Seal

Expiration Date: \_\_\_\_\_

*Your application will be submitted to the Trustees and you will be notified in writing of their decision.*

I HEREBY apply for and consent to payment of benefits, to which I believe I am entitled, from the Plasterers' Local Union No. 96 Pension Plan. I certify that the information I have supplied herein is true to the best of my knowledge and I understand that any willfully false statement made by me in this application or any fraudulent information or proof I furnish will impede and/or delay my claim. I further understand that my eligibility for benefits is contingent upon my withdrawal from employment covered by this Plan.

Signature of Applicant \_\_\_\_\_ Date \_\_\_\_\_

State of \_\_\_\_\_ County of \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public, came \_\_\_\_\_, known to me, who executed the foregoing in my presence.

Notary Public: \_\_\_\_\_

Seal

Expiration Date: \_\_\_\_\_

**PLASTERERS' LOCAL UNION NO. 96 PENSION PLAN  
ROLLOVER ELECTION FORM**

**Election or Rejection of Direct Rollover to an IRA or Retirement Plan**

ATTENTION: Before completing this form you should read the Special Tax Notice Regarding Plan Payments carefully. You also may wish to consult your tax advisor before making this election.

Complete this form only if you will receive a payout in a lump sum or monthly payments scheduled to cease in less than 10 years from the date payments begin.

\_\_\_\_\_  
Participant's Name

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Spouse-Beneficiary's Name

\_\_\_\_\_  
Social Security Number

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

If you will receive part or all of your benefits as a lump sum (or monthly payments scheduled to cease in less than 10 years), that payment will be an "eligible rollover distribution." You may elect to have part or all of that distribution transferred directly to an Individual Retirement Account (IRA) or to another qualified retirement plan (if it accepts rollovers). If you choose not to have an eligible rollover distribution transferred directly to an IRA or other qualified retirement plan, the Plan is required to withhold 20 percent (20%) of the payment for federal income taxes. This withholding does not increase your taxes, but will be credited against any federal income tax you owe. (For future information on direct rollovers and withholding, please read the Special Notice Regarding Plan Payments that is enclosed in this package.)

If your benefit is more than \$500, you may choose to have only part of the payment directly rolled over, and to have the rest paid to you. Withholding will be taken out of any part that is not directly rolled over. If you want to have only part of your payment directly rolled over, please tell us the amount (at least \$500) that you would like to roll over.

**IF YOU ARE AN EMPLOYEE PARTICIPANT, CHECK A, B OR C BELOW TO INDICATE WHETHER OR NOT YOU ELECT A DIRECT ROLLOVER OF YOUR PENSION PAYMENT:**

- A. ☐ I do not want to roll over any of my payment to an IRA or other qualified retirement plan. Pay me the full amount of my benefits, after withholding 20 percent (20%) for federal income taxes as required by law.

\_\_\_\_\_  
Participant's Signature (or Spouse-Beneficiary Signature)

\_\_\_\_\_  
Date

- B. ☐ I want to roll over my payment directly to an IRA or other qualified retirement plan that accepts rollovers. The IRA or other retirement plan is named below.

- C. ☐ I would like to have only **part** of my payment directly rolled over. Please roll over \$\_\_\_\_\_ to the IRA or qualified retirement plan named below, and pay the remainder of my benefit to me, after withholding 20 percent (20%) for federal income taxes as required by law.

IF YOU ARE A **BENEFICIARY** CHECK D, E OR F BELOW TO INDICATE WHETHER OR NOT YOU ELECT A DIRECT ROLLOVER OF YOUR PENSION PAYMENT:

- D. ☐ I do not want to roll over any of my payment to an IRA. Pay me the full amount of my benefits, after withholding 20 percent (20%) for federal income taxes as required by law.

\_\_\_\_\_  
Beneficiary's Signature

\_\_\_\_\_  
Date

- E. ☐ I want to roll over my payment directly to an IRA or other qualified retirement plan that accepts rollovers. The IRA or other retirement plan is named below.

- F. ☐ I would like to have only **part** of my payment directly rolled over. Please roll over \$\_\_\_\_\_ to the IRA or qualified retirement plan named below, and pay the remainder of my benefit to me, after withholding 20 percent (20%) for federal income taxes as required by law.

**CERTIFICATION**

*(COMPLETE ONLY IF ELECTING A DIRECT ROLLOVER)*

If you have elected a direct rollover of all or part of your benefit, please read and sign the following statement:

I certify that the recipient of a direct rollover that I have named below is an Individual Retirement Account, an Individual Retirement Annuity, or a qualified retirement plan that accepts rollovers. I understand that payment of my benefits to the trustee of the IRA or qualified retirement plan will release the Trustees of this Plan from any further obligation or responsibilities with respect to the benefits so paid.

Please make payment of my benefits on my behalf to:

\_\_\_\_\_  
Name of IRA Trustee or Qualified Retirement Plan

\_\_\_\_\_  
Account Number

Mailing Address:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Participant's (or Beneficiary's) Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

## Notice to Participant and Participant's Spouse of Distribution Election

Based upon certain provisions of the Plan, you are entitled to a payout under the Plan. This notice explains election rights under the Plan but is general in content. You should read this notice carefully. You should consult with your tax advisor about these elections.

**Participants with Vested Non-rollover Benefits Not Greater than \$5,000** - You will receive your entire vested benefit in the form of a single sum payment on the earliest date allowed under the Plan. When you are entitled to receive payment, you have a period of at least 30 days after you receive this notice to elect a direct rollover of all or any portion of your vested benefit. A direct rollover is made by checking the box in Section V, Part B of the **Benefit Application** and completing the **Rollover Election Form**. If you sign and return the election form to the Plan Administrator less than 30 days after you receive this notice, the Plan Administrator's receipt of your signed form is your affirmative waiver of any unexpired portion of the minimum 30 day period and your affirmative election of a distribution and/or a direct rollover.

### Participant with Vested Non-rollover Benefits Greater than \$5,000

**Proposed Payout Date** - You are entitled to receive your vested benefit on the earliest date allowed under the Plan. If you prefer to defer your payout, you should check the box in Section V, Part C of the **Benefit Application**. If you wish to begin payment on a proposed payout date, you must normally complete the attached **Benefit Application** 30 days prior to that date (see "**Minimum Notice Period**" below for information about waiving this 30-day period). On the proposed payout date, or as soon as possible thereafter, the Plan will pay out your benefit in the form you have elected.

**Minimum Notice Period** - For at least 30 days after you receive this notice, you have the right to consider your decision whether to defer or receive a payout of your vested benefit, whether to waive the Qualified Annuity Benefit (see "Qualified Annuity Benefit" below) and to select a benefit payment option that is offered by the Plan and which is available to you (see "Benefit Payment Options" below), and whether to elect a direct rollover of all or any portion of your benefit eligible for rollover. If you sign and return the **Benefit Application** and the **Rollover Election Form** to the Plan Administrator less than 30 days after you receive this notice, the Plan Administrator's receipt of your signed form is your affirmative waiver of any unexpired portion of the minimum 30-day period and your affirmative election of a distribution and/or a direct rollover. In no event, however, will distribution and/or a direct rollover of your vested benefit occur until 7 days have elapsed after you receive this notice.

**Benefit Payment Options** - Unless you (and your spouse if you are married) elect another form of payment, the Plan requires payment to you in the form of a Qualified Annuity Benefit. Instead of a Qualified Annuity Benefit, the Plan may permit you to elect your distribution in other forms, such as a single sum payment or installments.

A single sum payment means you receive a single payment of your entire vested benefit. This payment will generally be eligible for direct rollover to another retirement Plan or IRA. See the attached "**Special Tax Notice Regarding Plan Payments**" for additional information regarding direct rollovers. Under an installment distribution option, if offered by the Plan, the Plan makes periodic payment of your vested benefit over a specified period of time. Your Plan may also provide that an installment distribution is available only if you are 100% vested in your benefit.

If you elect an installment payout, payments will be made over the period of time that you have elected. Alternatively, you may specify the amount and the frequency of the installment payments you would like to receive. In no event, however, can the installment payout period you select exceed the maximum period allowed by IRS rules. Once your benefit is exhausted, payments will cease. After commencing an installment payout from the Plan, you may accelerate the payment of all or any portion of your unpaid benefit at any time.

**Qualified Annuity Benefit** - If you are married, the Qualified Annuity Benefit is a joint and survivor annuity. A joint and survivor annuity is a level monthly payment to you, the participant, for your life and, if your spouse survives you, a level monthly payment for your spouse equal to at least 50% of the monthly amount payable during your joint lives. You should consult the Plan's Summary Plan Description for the exact percentage. If you are not married, the Qualified Annuity Benefit is a life annuity. A life annuity is a level monthly payment for your lifetime, with no payment continuing after your death to your beneficiary.

If you (and your spouse if you are married) do not waive the Qualified Annuity Benefit, the trustee will satisfy the Qualified Annuity Benefit by using your vested benefit to purchase an annuity contract from an insurance company. The trustee then will distribute the contract to you as evidence of your right to receive the annuity payments from the insurance company. The actual level monthly payments made under the annuity contract will depend on the annuity purchase rates used by the insurance company, your age and, if you are married, your spouse's age at the time the distribution begins and the amount of your vested benefit at the time the trustee purchases the annuity contract. The trustee will charge your benefit for the cost incurred incident to the purchase of the annuity contract. If you choose the Qualified Annuity Benefit, your choice is irrevocable. This means generally that you cannot subsequently change the joint annuitant, accelerate payments, or change the percentage payable to the joint annuitant.

To determine the approximate level monthly payments you will receive under the Qualified Annuity Benefit as of the proposed distribution date, divide your vested benefit by the annuity factor below which most closely approximates your situation. Determine your age and, if you are married, your spouse's age as of the birth date nearest the proposed distribution date. If none of the examples approximates your situation, you may obtain a more accurate factor from the Plan Administrator.

### Annuity Factor Table

Married Participant's Age	Spouse's Age	Annuity Factor	Unmarried Participant's Age	Annuity Factor
50	45	165.14	50	153.16
50	50	162.90	52	148.45
50	55	160.77	54	143.49
55	50	154.65	55	140.93
55	55	151.88	57	135.59
55	60	149.29	59	130.02
60	55	142.40	60	127.15

60	60	139.06	61	124.23
60	65	136.00	62	121.26
65	60	128.50	63	118.25
65	65	124.59	64	115.21
65	70	121.16	65	112.14
70	65	113.43	66	109.07
70	70	109.09	68	102.91
70	75	105.32	70	96.69

We have based these annuity factors on the UP -1984 mortality tables, assuming a 6% interest rate and a survivor percentage of 50%. The insurance company from which the trustee purchases the annuity contract may use different factors. Different factors will produce a different monthly payment.

The quotient of your annuity factor divided into your vested benefit represents the approximate monthly payment you will receive during your lifetime. If you are married, one-half of the quotient represents the approximate monthly payment your spouse will receive after your death, if your spouse survives you. For example, if you and your spouse are both 65 and your vested benefit is \$10,000, the approximate monthly payment to your surviving spouse is \$40.13[\$10,000 divided by \$124.59 x .5]. If you are unmarried, age 65, and your vested benefit is \$10,000, your approximate payment is \$89.17 [\$10,000 divided by 112.14].

**Financial Effect of Your Election** - Under a Qualified Annuity Benefit, as the participant you will receive lifetime income. If you are married and your spouse predeceases you, the annuity payments will continue until your death. If you are married and your spouse survives you, the Qualified Annuity Benefit will make the joint life payments until your death, and continue 50% of the joint life payments until your spouse's death. The Qualified Annuity Benefit will not pay any death benefits to other beneficiaries. If you waive the Qualified Annuity Benefit, you may receive your vested benefit in a form permitted under the Plan as described in the paragraph entitled "Benefit Payment Options" above. One form of benefit is a single sum payment under which the trustee will distribute your entire vested benefit to you in a single sum payment. Certain single sum payments are eligible for rollover or for other special tax benefits. If you receive a single sum payment the Plan Administrator will provide you a notice of the special tax benefits, if any, available for your payment. A second form of benefit that may be available under the Plan is a series of installment distributions payable over a fixed number of years. Under an installment option, the trustee will continue payments from your account benefit until you have received your entire vested benefit. If you elect installment payments directly from the Plan, your vested benefit will be subject to a gain or loss. As a result of the investment performance of the trust fund, the total amount the trustee ultimately pays you could be more or less than the value of your vested benefit as of the proposed distribution date or as of the date you terminated employment with your employer. If you have a vested benefit remaining under the Plan at the time of your death, the Plan will pay the remaining balance to your designated beneficiary subject to any applicable spousal consent requirements. If your Plan permits, you may elect to have the Plan buy a nontransferable annuity contract that will provide a fixed number of level installment payments.

**Waiver of Qualified Annuity Benefit and Spousal Consent** - The Plan permits you to waive the Qualified Annuity Benefit. If you are married, your spouse must consent to the waiver by signing the Spouses Statement on the **Benefit Application**. A Notary Public must witness your spouse's signature. By agreeing to the waiver of the Qualified Annuity Benefit, your spouse gives up his or her right to the special payments described in the paragraphs entitled "Qualified Annuity Benefit" and "Financial Effect of you Election" above, if your spouse survives you. Your spouse's election must be a voluntary personal decision. The waiver election is not valid unless made within the 90-day period ending on the distribution date. Within the 90-day election period, a waiver election may be revoked, or a new waiver election made following a revocation, as often as desired.

**Postponement of Distribution for Participant with Benefits Greater than \$5,000** - You do not have to take a distribution at this time. You have the right to defer your distribution and the Plan will not make a distribution to you unless you consent to a payout. Once you have attained age 70½, after having terminated service, the Plan must begin to distribute your vested benefit no later than the April 1<sup>st</sup> after the close of the calendar year in which you reach age 70½. (Special rules apply if you are a more than 5% owner.) If you elect to postpone your payout, your vested benefit will be subject to adjustment for expenses and investment gain or loss. As a result, the total amount ultimately paid to you could be more or less than the value of your current vested benefit.

**Notice To Spouse of Participant** - As described above, payment of your spouse's vested benefit in the Plan must be made in the form of a Qualified Annuity Benefit unless you expressly consent to some other form of payment. In other words, you have the absolute right, as the spouse of the participant, to prevent payment in any form other than a Qualified Annuity Benefit. See the paragraphs entitled "Qualified Annuity Benefit" and "Financial Effect of Your Election" above for information regarding what a Qualified Annuity Benefit is and what financial impact electing a Qualified Annuity Benefit will have on you and your spouse. If you wish to consent to payment in a form other than a Qualified Annuity Benefit, you must sign the Spouses Statement located at Section V on the **Benefit Application** and have your signature witnessed by a Notary Public or the Plan Administrator. Your consent must be given within the 90-day period before the date the payment is made.

If you have any questions regarding the information provided in this notice, please contact the Fund Office or the Plan Administrator.

## Special Tax Notice Regarding Plan Payments

This notice explains how you can continue to defer federal income tax on your retirement savings in the Plan and contains important information you will need before you decide how to receive your Plan benefits.

This notice is provided to you by your Plan Administrator because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An “eligible employer plan” includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a government employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse’s consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator.

**Summary** — There are two ways you may be able to receive a Plan payment that is eligible for rollover:

- (1) Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit (“**Direct Rollover**”); or
- (2) The payment can be **Paid to you**.

### If you choose a Direct Rollover:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from the Plan.

### If you choose to have a Plan payment that is eligible for rollover Paid To You:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, **you must find other money to replace the 20% of the taxable portion that was withheld**. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

### Your Right to waive the 30-Day Notice Period:

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.

---

### More information

- I. **Payments That Can and Cannot Be Rolled Over**
  - II. **Direct Rollover**
  - III. **Payment Paid to You**
  - IV. **Surviving Spouses, Alternate Payees, And Other Beneficiaries**
- 

### I. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be “eligible rollover distributions.” This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

**After-tax Contributions** - If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of after-tax contributions. The following rules apply:

**Rollover into a Traditional IRA** - You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your Plan Administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Internal Revenue Service on the applicable forms, the amount of these after-tax contributions. This will enable the non-taxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts **cannot** later be rolled over to an employer plan.

**Rollover into an Employer Plan** — You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting from the after-tax employee contribution from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You **cannot** roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

### **The following types of payments cannot be rolled over:**

**Payments Spread Over Long Periods** - You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or a period measured by your life expectancy), or
- Your lifetime and your beneficiary’s lifetime (or a period measured by your joint life expectancies), or
- A period of 10 years or more.

**Required Minimum Payments** - Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you. Special rules apply if you own more than 5% or more of your employer.

**Hardship Distributions** - A hardship distribution cannot be rolled over.

**ESOP Dividends** - Cash dividends paid to you on employer stock held in an employee stock ownership plan cannot be rolled over.

**Corrective Distributions** - A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

**Loans Treated As Distributions** — The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan-offset amount is eligible for rollover as discussed in Part III. Ask the Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment.

The Plan Administrator of this Plan should be able to tell you if your payment includes amounts that cannot be rolled over.

## **II. Direct Rollover**

A Direct Rollover is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a Direct Rollover of all or any portion of your payment that is an eligible rollover distribution as described in Part I above. You are taxed on any taxable portion of your payment for which you choose a Direct Rollover until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a Direct Rollover. This Plan might not let you choose a Direct Rollover if your distributions for the year are less than \$200.

**Direct Rollover to a Traditional IRA** — You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

**Direct Rollover to a Plan** - If you are employed by a new employer that has an eligible employer plan and you want a direct rollover to that plan, ask the Plan Administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a Direct Rollover to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the Plan Administrator of that plan before making your decision.

**Direct Rollover of a Series of Payments** — If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a Direct Rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

**Change In Tax Treatment Resulting from a Direct Rollover** — The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your Direct Rollover might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a Direct Rollover, your benefit will no longer be eligible for that special treatment. See the sections below entitled “Additional 10% Tax if You Are Under Age 59½” and “Special Tax Treatment if You Were Born Before January 1, 1936.”

### III. Payment Paid To You

If your payment can be rolled over (see Part I) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply

#### Income Tax Withholding

**Mandatory Withholding** - If any portion of your payment can be rolled over under Part I and you do not elect to make a Direct Rollover, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can rollover a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see “Sixty-Day Rollover Option” below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

**Voluntary Withholding** - If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding ask the Plan Administrator for the election form and related information.

**Sixty-Day Rollover Option** — If you receive a payment that can be rolled over under Part I above, you can still decide to rollover all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to rollover, **you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment.** The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to rollover 100% you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

**Example:** The taxable portion of your payment that can be rolled over under Part I above is \$10,000 and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

**Additional 10% Tax If You Are Under Age 59½** - If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or you and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid to an alternative payee under a qualified employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

**Special Tax Treatment If You Were Born Before January 1, 1936** - If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a “lump sum distribution,” it may be eligible for special tax treatment. (See also “Employer Stock or Securities”) A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is

payable to you after you have reached age 59½ or because you have separated from service with your employer (or in the case of a self-employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

**Ten-Year Averaging** - If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using “10-year averaging” using 1986 tax rates. Ten-year averaging often reduces the tax you owe.

**Capital Gain Treatment** - If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime and the election applies to all lump sum distributions that you receive in the same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from the Plan (or certain other similar plans of the employer), you cannot use this payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan or annuity. Also if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

**Employer Stock or Securities** - There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, (1) the payment must qualify as a lump sum distribution, as described above, except that you do not need five years of plan participation, or 2) the employer stock included in the payment must be attributable to “after-tax” employee contributions, if any. Under this special rule, you may have the option of not paying tax on the “net unrealized appreciation” of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive stock, unless you roll over the stock. The stock can be rolled over to a traditional IRA or another eligible employer plan, either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA or another eligible employer plan.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.

If you receive employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

**Repayment of Plan Loans** - If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or “offset”) your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

#### **IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries**

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are “alternate payees.” You are an alternate payee if your interest in the Plan results from a “qualified domestic relations order,” which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I, paid in a Direct Rollover to a traditional IRA or to an eligible plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee. If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Part III. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

### **How To Obtain Additional Information**

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described in this document are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRA Publications 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at [www.irs.gov](http://www.irs.gov) or by calling 800-TAX-FORMS.