

Instructions to Applicants for a Defined Contribution Distribution

Please submit copies of the following documents with your application for benefits:

- Birth Certificate for you and your spouse (see below for alternative documents*)
- Marriage License
- Copy of current driver's license or current state I.D. (with photo) for you and your spouse
- If you have ever been divorced or legally separated, please submit a complete copy of your Judgment(s) of Divorce and Qualified Domestic Relations Orders (including Separation Agreements, Property Settlement Agreements and any similar or related orders with any attachments).
- If you have ever served in the military or other uniformed services of the United States, please submit copies of your induction and discharge papers and the Credit for Uniformed Service for the United States Form.

***ALTERNATIVE PROOF OF AGE DOCUMENTS** – accepted when birth certificate is unavailable.

In order to be eligible for retirement benefits, you are required to produce proof of your age. The following is a list of the documents that may serve as proof of your age. Some of these documents are better proof than others. The list is arranged starting with the best type of proof, and going down to the less desirable types of documents. You are required to furnish the best type of proof that is available. You do not have to furnish the original of any of these documents; you may submit a photocopy.

1. A birth certificate.
2. A baptismal certificate or a statement as to the date of birth shown by a church record, certified by the custodian of such record.
3. Notification of registration of birth in a public registry of vital statistics.
4. Hospital birth record, certified by a custodian of such record.
5. A foreign church or government record.
6. A signed statement by the physician or midwife who was in attendance at birth, as to the date of birth shown on their records.
7. Naturalization record.
8. Immigration papers.
9. Military record.
10. Passport.
11. School record, certified by the custodian of such record.
12. Vaccination record, certified by the custodian of such record.
13. An insurance policy, which shows the age or date of birth.
14. Marriage records showing date of birth or age (applications for marriage license or church record, certified by the custodian of such record; or marriage certificate).
15. Document showing approval of Social Security Pension.
16. Other evidence, such as signed statements from persons who have knowledge of the date of birth, voting records, poll-tax receipts, driver's license, etc.



SHEET METAL WORKERS' LOCAL UNION NO. 80

FRINGE BENEFIT FUNDS

P.O. Box 1408 / Troy, MI 48099-1408 / (248) 641-4980 (800) 400-7710

Directions for completing your Distribution Application

Please use this checklist as you complete your application. Ensuring that each item is correct will speed up the application process.

1. Make sure you have enclosed copies of the following documents:

- Your birth certificate
- Your spouse's birth certificate
- Your marriage certificate
- Your photo I.D.
- Your spouse's photo I.D.
- Divorce papers if you have ever been divorced
- Death Certificate if a previous spouse is deceased

2. Make sure you have completed each of the following pages:

- Application
 - Type of Retirement – if requesting Disability, contact the Fund office for a Physician's Report
 - Marital Status
 - Distribution Option
- Distribution Election Form
 - Choose payment option
 - If choosing a rollover, Custodian of IRA must complete
- Certification of Marital/Single Status – Notarized *
- Spousal Consent Form – Notarized *

*** Notarized forms must be signed in the presence of a Notary Public.
Dates of signatures must match the date of the notarization.**



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STATEMENT OF APPLICATION RECEIPT

(Married participants ONLY)

In order to comply with Federal Regulations related to the 30-day waiver form (enclosed with this application), the Fund Office must have a statement from you indicating the date you received an explanation of your benefit options.

Please indicate the date you received this application packet: _____

Your Signature: _____

(please return with your application)



**SHEET METAL WORKERS' LOCAL NO. 80 ANNUITY FUND
DISTRIBUTION APPLICATION**

I hereby make application for benefits from the Sheet Metal Workers Local Union No. 80 Annuity Fund and certify that the information listed below is correct:

NAME OF APPLICANT _____ SOC. SEC. # _____

ADDRESS: _____ DATE OF BIRTH _____

_____ HOME PHONE # _____

_____ CELL PHONE # _____

Last Day Worked _____ Last Employer _____

Type of Benefit: **Marital Status:**

Normal or Early Retirement Single Widowed

Disability Benefit Married Divorced

Separation Benefit due to Termination of Employment

Distributions Options (Please select only ONE of these 9 options):

Lump Sum Payment Options (payable as Cash or Rollover): Full Partial* \$ _____

***Partial distributions are subject to the following limitations:**

Distribution amount cannot be less than \$500, nor can it be more than 50% of your account balance. At least \$500 must remain in your account after the distribution. If you have an outstanding loan, in addition to the limitations noted here, an amount equal to 200% of your outstanding loan balance must remain in the account after distribution as well.

Annuity Options:

Single Life Annuity 50% Qualified Joint & Survivor Annuity

75% Joint & Survivor Annuity 100% Joint & Survivor Annuity

Periodic Payment Options (over a period not to exceed the life expectancy of the Participant):

Sixty (60) Monthly Payments One-hundred twenty (120) Monthly Payments

One-hundred eighty (180) Monthly Payments

Signature of Participant/Applicant

Date

OFFICE USE ONLY: Plan Manager Signature (when applicable): _____ Date: _____



**SPOUSAL CONSENT TO A PARTICIPANT'S ELECTION TO WAIVE PAYMENT
IN THE FORM OF A QUALIFIED JOINT AND SURVIVOR ANNUITY**

1. I acknowledge that I have read and understand the following:

1. My spouse is a Participant in the Sheet Metal Workers Local Union No.80 Annuity Fund.
2. The Plan is an Annuity Plan, which provides for two forms of distribution options.
 - a. **SINGLE LUMP SUM PAYMENT.** A Single Lump Sum Payment is made to the Participant at the time of his Retirement or Termination of Employment equal to his vested Account Balance in the Plan. No further benefits are payable after the payment of the Lump Sum Benefit is made and no benefits are payable to the Spouse upon his death.
 - b. **QUALIFIED JOINT & SURVIVOR ANNUITY.** If a Participant has been married at least one (1) year prior to the earliest of the date the Participant is eligible for benefits under the Plan, the annuity starting date or the date of death, the Participant's benefit will be paid in the form of a 50% Qualified Joint & Survivor Annuity. The 50% Qualified Joint & Survivor Annuity is an annuity for the life of the Participant with a 50% survivor annuity for the life of the Spouse which is equal to 50% the amount of the annuity which is payable during the joint lives of the Participant and Spouse and which is the equal to the amount of annuity benefit which can be purchased with the Participant's entire vested Account Balance.
3. The election of the Single Lump Sum Payment/Life Annuity Form of payment will not be effective unless I consent to that election. My consent must be in writing, include my acknowledgment of the effects of such an election, and must be witnessed by a representative of the Annuity Fund or by a Notary Public.
4. I fully understand that if my spouse elects the Single Lump Sum Payment/Life Annuity Form of distribution that upon his death, I will not receive any benefit from the Annuity Fund on his behalf.

2. I acknowledge that I have read and understand the information set out in this form. I hereby consent to my spouse's election to waive and/or reject the 50% Qualified Joint & Survivor Form of distribution and to take the Single Lump Sum Payment. I understand that I will not be entitled to any benefit subsequent to his death.

Signature of **SPOUSE**

Date

Signature of **PARTICIPANT**

Date

I have witnessed the execution of the foregoing consent by _____, who identified herself (himself) to me.

Signature of Notary Public

Date

Subscribed and sworn to before me this ___ day
of _____, 20__.

Notary Public _____ County
State of _____

My Commission expires _____.

DO NOT SIGN AND DATE THIS FORM UNLESS YOU ARE IN THE PRESENCE OF A NOTARY.



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.**

Participant 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.

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 Signature _____

Notary Public, _____ County

State of _____

My Commission expires _____

DO NOT SIGN AND DATE THIS FORM UNLESS YOU ARE IN THE PRESENCE OF A NOTARY.



**SHEET METAL WORKERS' LOCAL UNION NO. 80 ANNUITY FUND
DISTRIBUTION ELECTION FORM**

I hereby acknowledge receipt of the SPECIAL TAX NOTICE REGARDING SHEET METAL WORKERS' LOCAL UNION NO. 80 ANNUITY FUND PLAN PAYMENTS which explains my right to choose how my Plan benefit will be distributed and taxed. I understand the contents of the SPECIAL TAX NOTICE, and that I have at least thirty days from the date that I received the SPECIAL TAX NOTICE to decide how I want my Plan benefit paid. I hereby affirmatively elect the following (Check only one):

I hereby elect to have my distribution paid in a direct rollover to my IRA.

I hereby elect to have my distribution paid directly to me. I understand that 20% of my benefit must be withheld for federal taxes and that Michigan State Taxes will be withheld based on the election I make on the MI W-4P form.

I hereby elect to have my distribution benefit divided as follows:

I elect to have \$ _____ paid in a direct rollover to my IRA and to have the remainder of my Plan benefit paid directly to me. I understand that 20% of the amount to be paid directly to me in cash must be withheld for federal taxes, and that Michigan State Taxes will be withheld based on the election I make on the MI W-4P form.

Your Signature: _____ Date: _____

DIRECT ROLLOVER INSTRUCTIONS:

If you have elected a direct rollover of all or part of your benefit, please complete the section below:

Company Name of Custodian of your IRA: _____

Your IRA Account Number: _____

Address of the Custodian of IRA: _____

Authorized Signature of Custodian _____

Printed Name of Custodian: _____

Phone Number of Custodian _____



WAIVER OF 30-DAY WAITING PERIOD

BOTH SIGNATURES MUST BE WITNESSED BY A NOTARY PUBLIC

PARTICIPANT WAIVER

I, _____, hereby acknowledge that I have been informed that federal law prohibits the Fund from paying benefits to me until at least 30 days after my spouse and I have received a written explanation of the 50% Joint and Survivor form, including my right to waive that form with the written consent of my spouse, the effect of such a waiver and the right my spouse and I each have to revoke that waiver and consent. I have also been informed that I may waive that 30 day notice period and instead elect a 7 day notice period, which will permit the Fund to commence payment of benefits to me no less than 7 days after my spouse and I received the written explanation, provided my spouse also consents in writing to waiver of the 30 day notice period.

By signing below, I hereby elect to waive the 30-day notice period:

Participant Signature _____ Date _____

SPOUSAL CONSENT TO WAIVER OF 30 DAY NOTICE REQUIREMENT

I am the legal spouse of _____. I acknowledge that I have been informed that my spouse wishes to waive the requirement that we receive, at least 30 days before the Fund pays benefits to my spouse, a written explanation of the 50% Joint and Survivor form, including my spouse's right to waive the 50% Joint and Survivor form with my written consent, the effect of such a waiver and the right my spouse and I each have to revoke that waiver and consent, and to elect instead a 7 day notice period as permitted by federal law.

By signing below, I hereby consent to the election of my spouse to waive the 30 day notice period:

Spouse Signature _____ Date _____

Both Signatures Witnessed by Notary Public:

Place Notary Stamp Here

Subscribed to and sworn to before me,

This _____ day of _____, 20 ____.

Notary Signature _____

Notary Public, _____ County

State of _____

My Commission Expires _____

Seal

IF THIS FORM IS NOT SIGNED AND RETURNED, YOUR APPLICATION WILL BE HELD FOR 30 DAYS AFTER RECEIPT OF YOUR APPLICATION.



Withholding Certificate for Michigan Pension or Annuity Payments

INSTRUCTIONS: Use Form MI W-4P to notify pension administrators of the correct amount of Michigan income tax to withhold from your pension or annuity payment(s). You may also use this form to choose not to have any Michigan income tax withheld from your payment(s). Military pensions and pensions paid by the Railroad Retirement Board are exempt from tax and withholding.

Entities subject to Michigan taxes that disburse pension or annuity payments are required to collect withholding if the payment is expected to be taxable unless **you opt out using this form** (see instructions for line 1). Entities over which Michigan does not have jurisdiction are not required to withhold Michigan income tax from your pension or annuity payment(s). If your pension administrator does not withhold, you may need to make estimated income tax payments to avoid owing penalty and interest. For further information, see General Instructions on page two, the *Michigan Estimated Income Tax for Individuals* (MI-1040ES) or consult a tax advisor.

If you have more than one pension administrator, you will need to complete a form for each pension or annuity. If you do not file MI W-4P, the administrator may withhold even if you will not owe tax on your pension income. **See instructions on page two.**

GENERAL INFORMATION		
Name	Social Security Number	
Mailing Address (Number, Street, P.O. Box)		
City	State	ZIP Code
Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married (withhold the same as "Single")		

Check only ONE box. For joint filers, the age of the oldest spouse determines the age category.

1. Check here if your pension or annuity payments are not taxable or you wish to opt out. See lines 10 or 11 for additional voluntary withholding.
NOTE: Opting out may result in a balance due on your MI-1040 as well as penalty and/or interest.
2. Check here if you (or your spouse if older) were born before 1946. See instructions for line 2.
3. Check here if you (or your spouse if older) were born during the period 1946 through 1952 (deduction is \$20,000 single/\$40,000 joint).
See instructions for line 3.
4. Check here if you were born during the period 1946 through 1952 and your pension or retirement benefits were from employment with a governmental agency that was not covered by the Social Security Act (deduction is \$35,000 single/\$55,000 joint).
5. Check here if you were born after 1952, your pension or retirement benefits were from employment with a government agency that was not covered by the Social Security Act, and you were retired as of January 1, 2013 (deduction is \$35,000 single/\$55,000 joint).
6. Check here if you (and your spouse) were born after 1952, either you or your spouse are now age 62, and your pension or retirement benefits were from employment with a governmental agency that was not covered by the Social Security Act (deduction is \$15,000).
7. Check here if you were born after 1952 and have reached the age of 67. Enter amount from *Worksheet to Estimate Withholding for Taxpayers Born After 1952 and Reached Age 67* (Form 5712), line 10.
See instructions for line 7. 7.

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8. Check here if you (and your spouse) were born after 1952. See instructions for line 8.
9. Enter number of personal exemptions allowed on your *Michigan Income Tax Return* (MI-1040). Do not claim more than your allowable personal exemptions on all MI W-4s (wages) or MI W-4P forms combined. 9.

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Additional Voluntary Withholding from Pension or Annuity Payment:

10. **Voluntary percentage amount** you want withheld from each pension or annuity payment (if permitted by your pension administrator). This amount must be a percentage.
11. **Voluntary dollar amount** you want withheld from each pension or annuity payment (if permitted by your pension administrator).

	%
	00

AUTHORIZATION	
Signature	
Printed or Typed Name and Title	Date

Sign and return this completed form to the administrator of your pension or annuity. Keep a copy for your records.

Visit www.michigan.gov/taxes for additional information.

Instructions for Completing MI W-4P, Withholding Certificate for Michigan Pension or Annuity Payments

General Instructions

Significant income tax changes took effect in 2012 and going forward. As a result, your pension payment may be subject to tax and an underpayment may result if the incorrect amount of tax is withheld. These changes may result in a balance due if the incorrect amount is withheld from pension or annuity payment(s). Caution: Some benefits do not meet the definition of "pension and retirement benefits" under Michigan's individual income tax laws and are not eligible for subtraction on your Michigan income tax return. Visit www.michigan.gov/taxes for additional information. For these instructions the words "retirement benefits" mean pensions, annuities, and other retirement benefits. For joint filers, the age of the oldest spouse determines the age category.

Taxpayers born before 1946 may deduct all retirement benefits paid from public employment and retirement benefits from private plans up to \$53,759 on a single return or \$107,517 on a joint return.

For tax year 2020, recipients born during the period January 1, 1946 through December 31, 1952, are eligible to deduct \$20,000 against all income, not just retirement benefits. If the recipient will be filing a joint return and the older spouse was born during the period detailed above, the deduction is \$40,000 against all income. Recipients born during the period January 1, 1946 through December 31, 1952, may continue to use the MI W-4P so that they have the appropriate amount withheld from their income.

Recipients born after 1952 may not deduct retirement benefits on the *Michigan Income Tax Return* (MI-1040). For exceptions see lines 5 and 6.

Recipients born during 1953 and have reached the age of 67 may choose to either (1) deduct the personal exemption amount and taxable Social Security benefits, military compensation (including retirement benefits), Michigan National Guard retirement benefits and railroad retirement benefits included in adjusted gross income (AGI), or (2) claim a deduction against all income, of \$20,000 if single or married filing separately, or \$40,000 if filing a joint return. Refer to line 7 for additional information.

Multiple pensions: If you (and your spouse) receive multiple pension payments, your withholding on those payments may not cover your entire tax liability. Married couples where each spouse receives retirement benefits may choose to have withholding calculated as if each was single on the MI W-4P and select one personal exemption in order to have sufficient withholding to cover the tax liability. Taxpayers with multiple pensions may need to make quarterly estimated payments (MI-1040ES) or consult a tax advisor to ensure the proper amount is withheld or paid through estimated payments.

Estimated Payments: There are penalties for not paying enough state income tax during the year, either through withholding or estimated tax payments. Taxpayers who choose not to have tax withheld from their retirement benefits may be required to make estimated tax payments. Refer to Form MI-1040ES for estimated tax requirements.

When should I complete this form? Complete Form MI W-4P and give it to the administrator of your retirement benefits as soon as possible.

Your tax situation may change from year to year; you may want to evaluate your withholding each year. You can change the amount to be withheld by submitting an updated Form MI W-4P to your pension administrator at any time.

Is every pension administrator required to withhold Michigan tax? Only companies over which Michigan has taxing jurisdiction are required to withhold Michigan tax from your retirement benefits. If your pension administrator does not fall under Michigan jurisdiction, you may request to have Michigan

tax withheld, but the company is not required to do so. If no taxes are withheld from your payments, it is likely you will be required to make estimated payments in place of the withholding. Contact your pension and/or annuity administrator to verify whether tax will be withheld from your payments.

Line-by-Line Instructions

Line 1: You may opt out of withholding tax from your retirement benefits if you believe you will not have a balance due on your MI-1040. If you (and your spouse) opt to have no Michigan tax withheld from your retirement benefits by checking the box on line 1, it may result in a balance due on your MI-1040 as well as penalty and/or interest.

Line 2: If you (or your spouse) were born prior to 1946, all qualified benefits from public sources are exempt and qualified benefits from private sources may be subtracted up to \$53,759 for a single filer or married filer filing separately or \$107,517 if married filing a joint return for the 2020 tax year. In addition, benefits that will be rolled into another qualified plan or IRA will not be taxable if the amount rolled over is not included in federal AGI. Any private retirement benefits in excess of the limits above are taxable.

Line 3: If you, or your spouse if your spouse is older than you, were born during the period January 1, 1946 through December 31, 1952, you may deduct the Michigan standard deduction equal to \$20,000 (\$40,000 on a joint return) from your taxable income. Benefits in excess of these limits are taxable.

Line 4: The Michigan standard deduction for those born during the period January 1, 1946 through December 31, 1952, is increased by \$15,000 if you received retirement benefits from employment with a governmental entity that was exempt from the Social Security Act. Therefore, the first \$35,000 for a single filer or \$55,000 for joint filers may be subtracted from Michigan taxable income.

Line 5: If you were born after 1952, received retirement benefits from employment with a government agency not covered by the Social Security Act, and were retired as of January 1, 2013, the first \$35,000 for single filers or \$55,000 for joint filers of all retirement benefits may be subtracted from Michigan taxable income.

Line 6: If you were born after 1952, are age 62 through 66 and received retirement benefits from employment with a governmental agency that was exempt from the Social Security Act, the first \$15,000 of retirement benefits may be subtracted from Michigan taxable income.

Line 7: If you (and your spouse) were born after 1952 and have reached the age of 67 and lines 5 and 6 do not apply, complete *Worksheet to Estimate Withholding for Taxpayers Born After 1952 and Reached Age 67* (Form 5712). Enter amount from Form 5712, line 10 on this line.

Line 8: If you (and your spouse) were born after 1952 and lines 5, 6 and 7 do not apply, all private and public retirement benefits are fully taxable and may not be subtracted from Michigan taxable income.

Line 9: Enter personal exemptions you are claiming for withholding. Do not claim more than your allowable personal exemptions on all MI W-4s (wages) or MI W-4P forms combined.

Line 10: You may designate additional withholding if you expect to owe more than the amount withheld. The amount on line 10 must be a percentage. Check with your pension administrator to see if they permit additional withholding.

Line 11: If allowed by your pension administrator, you may enter an additional dollar amount to be withheld from each payment.

Failure to have sufficient tax withheld from your retirement benefits may result in a balance due on your MI-1040 as well as penalty and/or interest.

SPECIAL TAX NOTICE REGARDING
SHEET METAL WORKERS' LOCAL UNION NO. 80 ANNUITY FUND
PLAN PAYMENTS

You are receiving this Notice because all or a portion of a payment you are receiving from the Sheet Metal Workers' Local Union No. 80 Annuity Fund (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This Notice is intended to help you decide whether to do such a rollover.

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, including special rules applicable to recipients other than the participant, are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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 (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).

Where may I roll over the payment?

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

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.

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. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death
- Hardship distributions
- 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)

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

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

If you are under age 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. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations

- 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
- 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 excepted from the additional income tax by federal legislation relating to certain emergencies and disasters

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 from the IRA, 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:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

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.

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules). You should contact your professional tax advisor regarding those rules.

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

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

If 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 you retire. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you were born on or before January 1, 1936

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

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer 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 IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs). You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

If you are not a plan participant

Payments after death of the participant.

If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and 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.

If you are a surviving spouse.

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA. An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 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) or age 72 (if you were born after June 30, 1949).

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) or age 72 (if the participant was born after June 30, 1949).

If you are a surviving beneficiary other than a spouse.

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

Payments under a qualified domestic relations order.

If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options and the

same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

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

Other special rules

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, Armed Forces' Tax Guide.

You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

FOR MORE INFORMATION

You may wish to consult with 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.