



Western States Insulators and Allied Workers' Pension Plan  
Western States Insulators and Allied Workers' Individual Account Plan  
Western States Insulators and Allied Workers' Health Plan

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## Western States Insulator and Allied Workers Individual Account Plan APPLICATION FOR DISTRIBUTION

(If you have any questions regarding this application, please call the telephone numbers listed below)

### **Please submit the following documents with your application for benefits:**

- Birth Certificate for you and your spouse. See below for alternative documents.
- Marriage Certificate
- 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. If you never served, please indicate so in a brief, written statement.

### **INSTRUCTIONS FOR THE SUBMISSION OF PROOF OF AGE**

**Proof of your age will be required before any benefits can be distributed. The Board of Trustees retains the right to request additional items.**

**If you are not able to submit any of the above proofs of age, you will be required to submit a photocopy of the proofs listed under below:**

1. A baptismal certificate or a statement as to the date of birth shown by a church record certified by the custodian of such record.
2. Notification of registration of birth in a public registry of vital statistics.
3. Hospital birth record, certified by a custodian of such record.
4. A foreign church or government record.
5. A signed statement by the physician or midwife who was in attendance at birth, as to the date of birth shown on their records.
6. Naturalization record.
7. Immigration papers.
8. Military record.
9. Passport.
10. School record, certified by the custodian of such record.
11. Vaccination record, certified by the custodian of such record.
12. An insurance policy which shows the age or date of birth.
13. 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).
14. Document showing approval of Social Security Pension.
15. 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.



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## Western States Insulator and Allied Workers Individual Account Plan APPLICATION FOR DISTRIBUTION

(If you have any questions regarding this application, please call the telephone numbers listed below)

Participant Name: \_\_\_\_\_ Social Security No.: \_\_\_\_\_  
(First, MI, Last)

Date of Birth: \_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_ (\_\_\_\_\_) \_\_\_\_\_  
Cell Number Alternate Telephone Number

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

\_\_\_\_\_ Email Address: \_\_\_\_\_  
City, State, Zip Code

### REASON FOR DISTRIBUTION

- ☐ **Voluntary** – I am vested, my account balance is \$5,000 or less, and I have not worked in the last full Plan year and any period since.
- ☐ **Retirement** – I am retired and receiving a Pension from the Western States Insulators and Allied Workers Pension Plan.
- ☐ **Retirement** – I am age 62 or more and have ceased work in the industry for at least 3 months.
- ☐ **Early Retirement** – I am age 55 or older and have ceased work in the industry for at least 3 months and ineligible for a pension from the Western States Insulators and Allied Workers' Pension Plan. I understand that payments under this option are only available monthly over a period of 10 years.
- ☐ **Partially Disabled** - Copy of Medical evidence is required.
- ☐ **Total & Permanent Disability** – Copy of Social Security Disability Notice of Award is required.
- ☐ **Reciprocal Plan Transfer** – Please request Reciprocal Authorization Form from the Trust Fund.
- ☐ **Inter-Plan Transfer** – Please provide Transfer Plan Acceptance and instructions.

I hereby file this claim for benefits and agree to be bound and abide by all the rules and regulations of the Western States Insulators and Allied Workers Individual Account Plan. I certify under penalty of perjury that all of my statements in connection with this claim are true and correct. I understand that a false statement may disqualify me for benefits, and the Board of Trustees shall have the right to recover any payments made to me because of a false statement.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**Termination of Employment and Retirement**

Please provide the following information regarding your final employment and retirement selection. Generally, the effective date of your retirement will be the first day of the month following the last day you worked, provided all eligibility requirements have been met and your timely application has been received at the Trust Fund Office.

Are you still working in the Industry\*? ☐ Yes ☐ No

If YES, when do you anticipate will be your last day of work? \_\_\_\_\_

If NO, when was your last day of work? \_\_\_\_\_

Please provide the name of the employer you were working for when you were last employed or your current employer on your last day of work:

Employer: \_\_\_\_\_

Date you plan to retire: \_\_\_\_\_

***\*Work in Industry means work for any association, individual, partnership, corporation or other entity which performs work of the type covered by the collective bargaining agreement between Western States Conference of Heat and Frost Insulators and Allied Workers and the Western Insulation Contractors Association***

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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**CERTIFICATION OF MARITAL/SINGLE STATUS**

Federal Law requires the Trustees to confirm whether a previous spouse is entitled to any portion of your Annuity 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: \_\_\_\_\_ Social Security No.: \_\_\_\_\_

Marital Status: ☐ Never Married ☐ Married ☐ Divorced ☐ Divorced & Remarried  
☐ Legally Separated ☐ Widowed

**SPOUSE INFORMATION**

Spouse Name: \_\_\_\_\_ Social Security No.: \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Date of Marriage: \_\_\_\_\_

**PRIOR SPOUSE INFORMATION**

Prior Spouse Name: (if none, please indicate NONE): \_\_\_\_\_

Date of Marriage: \_\_\_\_\_ Date of Separation: \_\_\_\_\_

Marriage terminated due to \_\_\_\_\_  
(Death, divorce, dissolution, other (please specify))

**IF YOU HAVE MORE THAN ONE PRIOR MARRIAGE, PLEASE ATTACH A SEPARATE SHEET OF PAPER PROVIDING THE INFORMATION REQUESTED ON ITEM B ABOVE FOR EACH ADDITIONAL MARRIAGE.**

Please provide complete copies of all divorce decrees, separation agreements, Qualified Domestic Relations Orders and any other accompanying documents related to the termination of your previous marriage(s).



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Certification of Marital Status

**I HEREBY CERTIFY THAT ALL OF THE INFORMATION PROVIDED ON PAGE ONE OF THIS FORM IS COMPLETE AND ACCURATE.**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**TO BE COMPLETED BY NOTARY PUBLIC**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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

On \_\_\_\_\_, before me, \_\_\_\_\_  
(insert name and title of the office)

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

I certify under PENALTY OF PERJURY under the laws of the state of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
Signature of Notary Public

My Commission expires: \_\_\_\_\_



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**ELECTION OF PAYMENT OPTIONS**

Please select **one** option A, B, C, D or E as listed:

**5. Lump Sum Options** (please also see Option E for Partial Lump Sum and Rollover Option)

☐ **Lump Sum** payment of the entire account balance paid directly to me, less mandatory 20% Federal withholding and applicable state taxes.

☐ **Partial Lump Sum** payment in the amount of \$ \_\_\_\_\_, less mandatory 20% Federal withholding and applicable state taxes and defer the remaining balance in the Plan. A partial lump sum distribution can be taken every six months, but no more than twice in one year, provided the remaining balance is more than \$5,000.

**B. Annuity Options** – **Note:** If you choose one of these options below, they are only available through independent insurance companies. The insurance company will determine the actual annuity payable at the time of purchase. Although your completed application will be filed with the Trust Fund Office, if you choose one of the options below, your completed application will be forwarded to Empower/MassMutual and their office will contact you regarding further details. **There is a one-time \$175 set-up Administration fee. The fee will be deducted from your initial payment.**

☐ **Qualified Joint & Survivor 50% Annuity or Qualified Optional 75% Survivor Annuity.** I understand that this form of payment will provide a monthly benefit to me for life and upon my death, a monthly benefit to my surviving spouse with all payments ending on my spouse's death.

☐ **Life Annuity** I understand that this form of payment will provide a monthly benefit to me for life, with all payments ending on my death.

**\*If you choose this option, please contact the Trust Fund as we must provide an estimate of the benefits to you prior to any distribution \*\***

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_



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**ELECTION OF PAYMENT OPTIONS CONT.**

**C. Installment/Periodic Payment Options** – There is a one-time \$100 set-up Administration Fee. The fee will be deducted from your initial installment payment.

☐ **Monthly Installments over a 10-year period** I hereby elect to receive my distribution in monthly payments over a period of ten years (120 payments). The monthly benefit amount may vary from month to month based on the current value of my account at the time each monthly payment is made. I understand that benefit payments will cease when my individual account is fully disbursed. I understand that if the individual account is not fully exhausted at the end of the ten-year period, then the amount remaining will be distributed to me in the form of a lump sum payment.

☐ **Monthly Installments in the amount of \$ \_\_\_\_\_**  
Benefit payments will cease when the individual account is fully exhausted. I understand that this amount is subject to 20% federal withholding tax.

☐ **Annual Installments in the amount of \$ \_\_\_\_\_**  
Benefit payment will cease when the individual account is fully exhausted. I understand that this amount is subject to 20% federal withholding tax.

**\*\*Please complete the W4-P form enclosed**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_



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**ELECTION OF PAYMENT OPTIONS CONT.**

**D. Rollover Options**

- ☐ I hereby elect to transfer my balance in the Individual Account Plan to **an IRA**.
- ☐ I hereby elect to transfer my balance in the Individual Account Plan to **another qualified Plan**.
- ☐ I hereby elect to receive my distribution in the form of a Rollover to a **ROTH IRA**. I understand the distribution will be taxable to me in the year of distribution and have read the Special Tax Notice regarding the Plan payments.
- ☐ I hereby elect to transfer my balance in the Individual Account Plan to a **Spousal IRA**. This payment option is only valid for the surviving spouse of the Participant.
- ☐ I hereby elect to receive my distribution in the form of a Rollover to an **Inherited Individual Retirement Account**. For rollovers made before the Participants required beginning date: Rollovers made in accordance with the life expectancy rule, to a designated beneficiary, must be made by the end of the calendar year following the year of the Participant's death. Rollovers made in accordance with the five-year rule, to any other person or entity must be completed by the end of the calendar year which contains the fifth anniversary of the date of the Participant's death.

**Please complete the following rollover account information:**

Account Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

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

**ROLLOVER CERTIFICATION**

I certify that if I have elected a direct rollover of all or part of my benefit, as the recipient of a direct rollover, that my election above is an individual retirement account or 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 Western States Insulators and Allied Workers' Individual Account Plan from further obligations or responsibility with respect to the benefit so paid.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**ELECTION OF PAYMENT OPTIONS CONT.**

**\*ROLLOVER DISTRIBUTIONS WILL BE SENT VIA MAILED CHECK TO YOUR HOME ADDRESS PROVIDED ON THIS APPLICATION. ONCE CHECK IS IN YOUR POSSESSION YOU WILL HAND OVER TO THE IRA CUSTODIAN/RETIREMENT PLAN\***

**E. Partial Lump Sum and Rollover Option**

☐ I hereby elect to roll over a partial lump sum, in the amount of \$ \_\_\_\_\_, with the remaining balance to stay in my account. (provide rollover information below)

**Rollover to:** ☐ Qualified Plan ☐ Traditional IRA or Qualified Plan ☐ Spousal IRA ☐ Inherited IRA  
☐ Roth IRA

Account Name: \_\_\_\_\_

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

☐ I hereby elect to receive a Partial Lump sum distribution in the amount of \$ \_\_\_\_\_ from my Individual Account. I understand that this amount is subject to 20% federal withholding tax and any required state tax withholding. If this distribution is prior to my attaining age 55 or becoming disabled, there could be 10% tax on this amount in addition to my regular income tax.

The remaining balance after the Partial Lump Sum Distribution above will:

☐ **Remain in the Plan account**

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
OR

**Rollover to:** ☐ Qualified Plan ☐ Traditional IRA or Qualified Plan ☐ Spousal IRA ☐ Inherited IRA  
☐ Roth IRA

Account Name: \_\_\_\_\_

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

**ROLLOVER CERTIFICATION**

I certify that if I have elected a direct rollover of all or part of my benefit, as the recipient of a direct rollover, that my election above is an individual retirement account or 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 Western States Insulators and Allied Workers' Individual Account Plan from further obligations or responsibility with respect to the benefit so paid.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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**FEDERAL INCOME TAXES ACKNOWLEDGMENT**

I understand that all payments I receive from this Plan are taxable income and that the lump sum and partial lump sum options are eligible for rollover to an IRA or to another qualified plan and will be subject to **mandatory 20%** income tax withholding if not rolled over. I also understand that if I receive distribution **prior to age 55, I may have to pay a 10% tax penalty in addition to regular income tax. I acknowledge receipt of the "Special Tax Notice"** which explains these rules.

I further understand that **the Plan does not provide tax advice** and that I should consult my own tax advisor.

I have read the Annuity Notice and waive payment of benefits in the form of an annuity. I understand (1) that I have the right to receive benefits in the form of a Joint and Survivor annuity if I am married or a single life annuity if I am single. (2) That I have the right to waive such annuity payments, provided that if I am married, my spouse must consent in writing to the waiver; (3) the terms of the annuity and the financial effect of a waiver; and (4) that I may revoke any waiver in effect at any time before benefit payments begin.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**PLEASE RETURN THE ORIGINAL SIGNED APPLICATION TO THE TRUST  
FUND OFFICE AT THE ADDRESS LISTED BELOW.**



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**SPOUSE'S CONSENT TO REJECT JOINT AND SURVIVOR ANNUITY**

Your spouse has applied for a benefit from the Western States Insulators and Allied Workers' Individual Account Plan. Since you are married, federal law and in accordance with Plan rules require that benefits be paid to you and your retiring spouse in the form of a joint and survivor annuity. The joint and survivor annuity provides a continuing payment to you after your spouse dies. Please review the explanation of the monthly benefit which would be paid before your spouse's death and then to you if your spouse dies first.

I have read the written explanation of the joint and survivor annuity and understand that I have the right to receive the joint and survivor benefits over my spouse's objection by refusing to sign this consent.

I hereby consent to my spouse's rejection of the joint and survivor annuity as the method of payment of the account balance to be received from the Western States Insulators and Allied Workers Individual Account Plan. I understand that as a result of my consent I will not receive any benefits from the Individual Account Plan if my spouse dies, unless there is a balance remaining in my spouse's account.

I understand that my spouse may revoke this rejection before benefits begin in which event benefits will be paid under the joint and survivor annuity unless I again consent to rejection.

Spouse Name: \_\_\_\_\_  
(Please Print)

Spouse Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**TO BE COMPLETED BY NOTARY PUBLIC**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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

On \_\_\_\_\_, before me, \_\_\_\_\_  
(insert name and title of the office)

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

I certify under PENALTY OF PERJURY under the laws of the state of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
Signature of Notary Public

My Commission expires: \_\_\_\_\_



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### **30 – DAY NOTICE WAIVER**

You have been provided with information and forms to complete relating to the distribution of benefits to you from the Plan. IRS rules generally require that the Plan delay the distribution or withdrawal until at least 30 days have elapsed after you have received these papers. The 30-day rule is intended to give you and your spouse sufficient time to weigh your payment options. However, you may waive the 30-day period and receive your distribution sooner by completing the 30-Day Notice Waiver Statement below.

If you waive the 30-day waiting period, then your benefits will begin as early as on the eighth day after you have been provided with this form and the Notice describing the qualified joint and survivor annuity. Before completing the waiver below, please note:

Under the law you and your spouse have the right to consider your payment elections for at least 30 days. This includes the right to receive or waive the qualified joint and survivor annuity (described in your Summary Plan Description). This 30-day period is intended to give you time to consider the payment options under the plan and to decide whether you might wish to avoid tax-withholding and current taxation by having an eligible rollover distribution transferred in a direct rollover to a qualified plan or individual retirement account. You have also been given information about how much larger your benefits will be if you defer retirement. This 30-day period is also intended to give you time to consider deferring your retirement.

You can take at least 30 days to make your payment decisions, and no one can force you to receive payment sooner. If you complete the waiver below, then for 7 days after you have been given this form, you may nonetheless revoke the waiver, change your mind and take additional time to consider your payment options.

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### **Participant Waiver and Election**

I, \_\_\_\_\_, have read the Notice to Participant and Spouse above. I understand that my spouse and I have the opportunity to consider my payment options for at least 30 days after I am provided with the distribution forms and information. Because I wish to receive payments of my benefits before this period ends, I voluntarily elect to waive my right to delay payment for 30 days. Instead, I request that the Plan make payment to me as soon as administratively possible after the 7th day after such forms and information are provided to me. I understand that I may change my mind and revoke this waiver during this seven-day period.

**Participant Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Spouse Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**\*Signatures must be notarized. (Please complete the Notary All-Purpose Acknowledgment on page 12)\***



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**30 – DAY NOTICE WAIVER STATEMENT- continued**

**TO BE COMPLETED BY NOTARY PUBLIC**

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

On \_\_\_\_\_, before me, \_\_\_\_\_  
(insert name and title of the office)

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

I certify under PENALTY OF PERJURY under the laws of the state of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

\_\_\_\_\_  
Signature of Notary Public

My Commission expires: \_\_\_\_\_



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**STATE INCOME TAX WITHHOLDING ELECTION**

State: \_\_\_\_\_  
(Please specify State)

Please Elect One: ☐ ☒:

- ☐ Please withhold State income tax from my distribution at the rate of 10% of the amount withheld in Federal Income Tax.
- ☐ Please withhold \$ \_\_\_\_\_ from my distribution in State income Tax
- ☐ Please DO NOT withhold any State income tax from my distribution.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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## Direct Deposit Request

Name: \_\_\_\_\_ SSN: \_\_\_\_\_

Address: \_\_\_\_\_

### ACCOUNT INFORMATION

**SELECT ONE:** ☐ Checking Account **OR** ☐ Savings Account

Bank Name: \_\_\_\_\_

Routing Number: \_\_\_\_\_ Account Number: \_\_\_\_\_

Joe Smith  
1234 Anystreet Court  
Anycity, AA 12345  
1234

Pay to the order of \_\_\_\_\_  
\_\_\_\_\_ Dollars

Bank Anywhere  
123456789 123456789123 1234

Routing Number Account Number Check Number

As benefit payments become due to me from the Individual Account Plan, I authorize the Administrative Office to pay by directing electronic transfer of funds, (or if not available, by direct mail of a check) to the order of the above-named financial institution for credit to my account. I authorize said financial institution to refund amount equal to any payments which become due after my death that have been credited to my account or to charge the account accordingly. I reserve the right to cancel this authorization and direction by giving written notice to the Administrative Office.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



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## **SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS**

### **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the Western States Insulators and Allied Workers' Individual Account Plan (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.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

### **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 (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

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

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover.

The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.





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

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

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

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any

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payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

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

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

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

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

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly



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to an IRA of a spouse or former spouse).

- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

### **Will I owe State income taxes?**

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

## **SPECIAL RULES AND OPTIONS**

### **If your payment includes after-tax contributions**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions.

However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

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

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

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



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includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

**If you miss the 60-day rollover deadline**

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

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

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

**If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset.

Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

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



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

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

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

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

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

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

**If you roll over your payment to a Roth IRA**

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

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 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





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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)*.

**If you do a rollover to a designated Roth account in the Plan**

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

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

**If you are not a Plan participant**

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

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 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



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start until after you are age 72.

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 72.

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

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

**If you are a nonresident alien**

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

**Other special rules**

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

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

Unless you elect otherwise, a mandatory cash out of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or



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the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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

### FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-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](http://www.irs.gov), or by calling 1-800-TAX-FORM.