BeneSys
PMB #116
5331 S Macadam Ave., Suite 258
Portland, OR 97239
Phone: 503.222.7694 Toll Free: 800.413.4928
Fax: 503.228.0149

Retirement Plan Distribution Request (LA)

Use this form if you want to take a cash distribution or rollover from your retirement account. Be sure to read all the way through so you don't miss any important sections. Keep in mind that your request can be delayed if the form isn't clear or complete.

Ways You Can Submit Your Form

- **Online, for faster processing:** You can request your distribution online if your plan allows it. Visit standard.com/login to log in to your account on Personal Savings Center to make a request. Once you log in, you'll see the option under My Account, Request a Distribution from the menu
- **Mail:** Send your form and any other related documents to 5331 S Macadam Ave., Suite 258 Portland, OR 97239.
- **Fax:** Send this form and any other related documents as a single fax to 503.228.0149.

If you have questions about your request, call 800.413.4928.

1. Retirement Plan Information

COMPLETE THE FOLLOWING (REQUIRED)

Plan Name: Northwest Sheet Metal Workers Supplemental Pension Plan

Plan Number: 807580

You can find your plan name and number on your quarterly account statement or on Personal Savings Center at standard.com/login. Once you log in, choose My Plan, About Me and My Plan from the menu to see this information. Your plan administrator should also have this information available.

2. Participant Verification or Alternate Payee

It is **required** to provide Participant information here if you are

- The Participant,
- The beneficiary of deceased Participant, OR
- An alternate payee due to Qualified Domestic Relations Order (QDRO):

Participant first name_____ Middle initial_____ Last name _____

Phone Number_____ Email address_____

Address of record _____

City_____ State_____ ZIP _____

SSN_____ - _____ - _____ **Note:** This is the SSN that is on file with your employer and is used to submit taxes.

Date of birth_____ / _____ / _____

3. What Kind of Distribution Are You Requesting?

Review your summary plan description to learn which options are available and if your plan requires plan administrator/ employer approval of this request. You can access your summary plan description on Personal Savings Center (standard.com/login) by choosing My Plan, About Me and My Plan from the menu once you've logged in.

CHECK ONLY **ONE**:

☐ Separated from Service as of_____/_____/_____
I am no longer working for the employer.

☐ Total and Permanent Disability as of_____/_____/_____
I am a recipient of Social Security disability.

(The following Distributions require additional information in Section 5:)

☐ Required Minimum Distribution
I am 73 or older and the distribution is for all or part of my required minimum distribution.
Complete Section 5C, Required Minimum Distribution, below.

☐ Qualified Domestic Relations Order
I am an alternate payee who has completed the QDRO process.
Provide your name, address and Social Security number above in Section 2, "Participant Verification or Alternate Payee."

☐ Death of Participant on the Date of_____/_____/ _____
I am a beneficiary of a plan participant; I am requesting distribution of acquired assets. *Please note this requires a death certificate.*
Complete Section 5A, Beneficiary for Death Benefit, below.

☐ Hardship Withdrawal
I am eligible and qualify for an immediate and heavy financial need as defined by the plan.
Complete Section 5B, Hardship Reason, on page 5.

4. Payment Instructions

Please review your summary plan description to see which options are available. You can access it on Personal Savings Center (standard.com/login). Once you log in, select My Plan, About My Plan to see this information.

CHECK ONLY **ONE** PAYMENT OPTION FROM A, B, C, D BELOW. THEN, COMPLETE THE PAYMENT INFORMATION WITHIN THAT SECTION. THIS IS NOT REQUIRED IF YOU HAVE SELECTED A REQUIRED MINIMUM DISTRIBUTION.

☐ **A. Cash distribution**

This will be based on plan provisions and eligibility. See your summary plan description to learn more.

CHECK ONLY **ONE:**

☐ Entire available account balance

☐ Partial gross (pre-withholding amount) distribution of $ _____

-OR- ☐ **B. Rollover to another retirement plan or eligible IRA**

CHECK ALL THAT APPLY

☐ Entire account balance

☐ All pre-tax assets

-OR- ☐ **C. Combination of cash distribution and rollover**

CHECK ALL THAT APPLY

☐ Gross (pre-withholding amount) distribution of $_____; the remainder balance will be rolled over

☐ Rollover of $_____; the remainder balance will be paid in cash

-OR- ☐ **D. Installment distributions**

CHECK **ONLY** ONE

Installment payments made payable to me in the amount of $_____

☐ Monthly ☐ Quarterly ☐ Annually

Beneficiary for Death Benefit, Hardship Reason, Required Minimum Distribution

Complete the applicable section below if you selected one of the following in Section 3:

- Designate a beneficiary upon the death of the participant (complete Section A below)
- Hardship withdrawal (complete Section B below)
- Required minimum distribution (complete Section C below)

Only complete the section that applies to the type of distribution you are requesting.

A. Beneficiary for Death Benefit

Complete this section if you're eligible to receive a death benefit from a plan participant's account.

Beneficiary's first name_____Middle initial_____Last name _____

Address of record _____

City_____State_ZIP _____

Beneficiary's SSN/EIN/TIN_____–_____– _____

Beneficiary's date of birth_____/ /_____

Relationship to beneficiary: ☐ Spouse ☐ Child ☐ Domestic Partner ☐ Estate ☐ Other

Benefit percentage _____

If this beneficiary is not receiving 100%, list the name, date of birth, Social Security number and beneficiary percentage for each beneficiary.

_____

_____

B. Hardship Reason

IF YOU ARE CLAIMING A HARDSHIP, CHECK ALL THAT APPLY.

☐ Payment of medical expenses not covered by insurance for me, my spouse or dependents

☐ Purchase or construction of principal residence

☐ Payment of tuition and related educational fees for the next 12 months of post-secondary education for self, spouse or dependents

☐ Prevention of eviction from or foreclosure on mortgage of principal residence

☐ Funeral expenses for members of immediate family

☐ Repair of damage to a principal residence due to casualty

C. Required Minimum Distributions

Required minimum distributions are required annual payments from the retirement account for participants who are age 73. See frequently asked questions.

IF YOU ARE TURNING 73 WITHIN THE YEAR CHECK **ONE** OF THE FOLLOWING:

☐ I am an in-service employee. Do not automatically process my minimum distribution with this distribution.

☐ Calculate and distribute my required minimum distribution.

Skip to Section 6 unless you are selecting another form of distribution in addition to your required minimum distribution.

5. Tax Instruction

A. Federal Taxes

- For distributions eligible to be rolled over but that are taken in cash: U.S. citizens are required have a mandatory federal tax of 20% withheld at the time of the distribution. If you do not make an election below, the mandatory rate will apply.

  ☐ Withhold federal taxes at the rate of_____% (must be at least 20% and a whole number)

- For distributions ineligible for a rollover such as hardships, required minimum distributions and certain installment payments made over a specified period of over 10 years. A default federal tax of 10% may be paid at the time of distribution. If you do not make an election below, this default rate will apply.

  ☐ Do **not** withhold federal taxes

  ☐ Withhold federal taxes at the rate of_____% (must be at least 10% and a whole number)

For Non-Resident Aliens, an additional taxation may apply.
Please submit an IRS Form W-8BEN.

B. State Taxes

Required state income tax may be withheld from your distribution. In some cases, you may elect not to have the withholding apply or you may elect to increase the rate of withholding. In other cases, state income tax withholding is not required. If you do not make an election below, a tax rate will be applied based on the state in which you live. This is determined by using the address we have for you on file.

☐ Do **not** withhold state taxes unless required by your state

☐ Withhold state taxes_____% (must be at your state's minimum and a whole number)

6. Delivery Instructions

If your name or address has changed within the last 14 days, there will be a delay in processing.
Delivery method does not affect processing time. Incomplete requests will delay processing.

☐ A. Regular Mail

☐ My address is outside the U.S. or its territories. I have included my IRS Form W-9 or W-8 Ben with this request. **Note:** If not attached, this request will be canceled and you will need to resubmit with the correct forms.

☐ B. Overnight

☐ Use next business day delivery to send my distribution check. An additional fee will be deducted from my account. Next business day delivery is not available for PO boxes. A street address must be supplied or the check will be sent via USPS mail.

☐ C. Rollover Institution Information

If you don't provide a valid address to the rollover institution, the check will be sent to the address we have on file for you. If you have chosen cash, please leave the mailing address blank.

COMPLETE THEFOLLOWING FIELDS **ONLY** IF YOUR DISTRIBUTION IS PAYABLE TO A ROLLOVER INSTITUTION

Payee_____Account number_____

Mailing address_____

Attention to_____

7. Required Signatures

A. Participant Acceptance

I have read and understand the Explanation of Qualified Joint and Survivor Annuity (QJSA). As required by regulations, I certify that at least seven days have elapsed since I received the QJSA explanation. I elect to waive payment of my benefits in the form of a QJSA and to receive payment in the form selected. I have the right to revoke this election any time prior to the date my benefit payments commence.

If this is a hardship withdrawal, I hereby certify that this distribution is on account of a financial need of a type which is deemed to be an immediate and heavy financial need, as described in my Summary Plan Description (SPD) under the Article titled Distributions Prior to Termination and Hardship Distributions. Insurance payments

I also certify this request is not in excess of the amount required to satisfy such financial need, and I have no alternative means available to me with which to satisfy it. If this request relates to the hardship of a beneficiary other than a spouse or dependent, I certify that the beneficiary is my named primary beneficiary under the plan. Furthermore, I understand that while I don't need to present documentation at this time, it is my responsibility to maintain such documentation in case of future audit (see Required Documentation for Hardship withdrawals).

Certification: I acknowledge receipt and understand the terms and conditions relating to the payment and tax implication of my taxable benefits from the plan as explained in the Special Tax Notice Regarding Plan Payments, I also understand that any securities holdings that I have in my account will be sold once I submit this form, and I agree to this liquidation in order to process my distribution. I certify that the above information is true and correct to the best of my knowledge and that the rollover institution or other employer's plan names in Section 4 is an eligible rollover distribution as defined in Internal Revenue Code 401(a)31(D). I understand the trustee of the plan will rely this information in making the distribution that I have requested. I hereby consent to the payment of my vested account balance.

I understand that I have the right to take at least 30 days to select a benefit option. I elect to receive payment in the form selected. If I am married and selected a required minimum distribution or another form of periodic payments and designated a beneficiary other than my spouse, I elect to waive payment of any survivor benefits to my spouse. I have the right to revoke either election at any time prior to the date my benefit payments commence. I understand that after payments begin, my election is irrevocable.

X _____ X _____

Participant signature or beneficiary Date

B. Spousal Consent

THIS SECTION ONLY APPLIES IF YOUR PLAN HAS A QUALIFIED JOINT-SURVIOR ANNUTIY

Your spouse must consent if your vested balance exceeds $5,000 on the distribution date. Consent must be witnessed by the plan administrator or notary public.

CHECK **ONLY** ONE

☐ Single

☐ Married

☐ Cannot locate spouse *(must be supported by legal documents)*

I have read and understand the Explanation of Qualified Joint and Survivor Annuity. I acknowledge that my spouse did not select the QJSA and I consent to payment in the form selected. I understand that my consent is irrevocable unless my spouse revokes that election.

_____

Spouse's name (printed)

X _____ X _____

Spouse's signature Date

X _____ X _____

Notary or plan administrator name (printed) Date

Notary seal if required by state

Plan Number:_____ Participant Name: _____

C. Authorized Plan Administrator/Third Party Administrator

The Standard is authorized to make a distribution to the participant or beneficiary named above. The distribution will be paid according to the terms of the plan.

Plan Administrator/Third Party Administrator Certification

_____

Plan Administrator/Third Party Administrator's Name (printed)

X _____ X _____

Plan Administrator/Third Party Administrator's Signature Date

Return ALL pages of this form, even if some sections are left blank.

Special Tax Notice

Regarding Plan Payments and Rollover Options

Part 1: For Payments Not From a Designated Roth Account

Your Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from 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, information regarding those payments is provided in Part 2 of this Notice. The Plan Administrator will tell you the amount that is being paid from each type of 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 (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).

Where may I roll over the payment?

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.

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. 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 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 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
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments of up to $5,000 made to you from a defined contribution plan within one year after the birth or adoption of a child.
- Payments up to the amount of your deductible medical expenses
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Payments from a governmental defined benefit pension, defined contribution or other types of governmental plans made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation or have completed at least 25 years of service, whichever is earlier. This also includes federal law enforcement officers, corrections officers, customs and border protection officers, federal and private firefighters and air traffic controllers.
- Payments for qualified birth or adoption expenses
- Payments due to loss in a federally declared disaster area
- Payments due to domestic abuse by spouse or domestic partner
- Payments for personal or family emergency expenses
- Payments from a pension-linked emergency savings account
- Payments made directly to the government to satisfy a federal tax levy
- Payments up to the amount of your deductible medical expenses
- Payments made for health insurance premiums paid while unemployed
- Payments made to qualified military reservists called to active duty
- Payments made if you are terminally ill as certified by a physician

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.

Additional exceptions to the 10% additional income tax include:

- Payments for qualified higher education expenses
- Payments up to $10,000 used in a qualified first-time home purchase
- Payments 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 tax?

Generally, state income tax will be withheld at the default rate unless you make a different election. For specific state or local income tax rules (including withholding rules) check with your state's revenue department or your tax advisor. If your state requires its own W4-P form to make a tax withholding election, you may obtain a copy from your state's revenue department and include a completed copy with your distribution request.

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 generally 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 rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

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

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

Exceptions to the 60-day rollover deadline

If you miss the 60-day rollover deadline, you may still qualify for an exception by obtaining a waiver.

Obtaining a waiver: 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. There are three ways to obtain a waiver: (1) you qualify for an automatic waiver, (2) you self-certify that you met the requirements of a waiver, or (3) you request and receive a private letter ruling from the IRS. 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.

If you were born on or before January 1, 1936

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

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

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59 ½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59 ½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to "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 pension 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 for 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 the payment 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 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 59 ½ (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 start until after you are age 73.

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 73.

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 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).

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

Unless you elect otherwise, a mandatory cashout will be directly rolled over to an IRA chosen by the Plan Administrator. 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 $7,000 (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, see IRS Publication 3, Armed Forces' Tax Guide.

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

For More Information

You may wish to consult with the Plan Administrator or 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, Distribution 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.

Part 2: For Payments From a Designated Roth Account

Your Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from the Plan may be eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth contribution account. If you also receive a payment from the Plan that is not from a designated Roth account, you should review Part 1 of this Notice, and the Plan Administrator will tell you the amount that is being paid from each account.

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

General Information About Rollovers

How can a rollover affect my taxes?

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

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

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

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Where may I roll over the payment?

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

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

How do I do a rollover?

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

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

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 73 (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
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if S corporation stock is held by an IRA).
- Distributions of certain premiums for health and accident insurance

The Plan Administrator can tell you what portion of a payment is eligible for rollover.

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

If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments 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
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.
- Payments from a governmental defined benefit pension, defined contribution or other types of governmental plans made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation or have completed at least 25 years of service, whichever is earlier. This also includes federal law enforcement officers, corrections officers, customs and border protection officers, federal and private firefighters and air traffic controllers.
- Payments for qualified birth or adoption expenses
- Payments due to loss in a federally declared disaster area
- Payments due to domestic abuse by spouse or domestic partner
- Payments for personal or family emergency expenses
- Payments from a pension-linked emergency savings account
- Payments made directly to the government to satisfy a federal tax levy
- Payments up to the amount of your deductible medical expenses
- Payments made for health insurance premiums paid while unemployed
- Payments made to qualified military reservists called to active duty
- Payments made if you are terminally ill as certified by a physician

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

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

- There is no special exception for payments after separation from service.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

Will I owe state income tax?

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

Special Rules And Options

Exceptions to the 60-day rollover deadline

If you miss the 60-day rollover deadline, you may still qualify for an exception by obtaining a waiver.

Obtaining a waiver: 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. There are three ways to obtain a waiver: (1) you qualify for an automatic waiver, (2) you self-certify that you met the requirements of a waiver, or (3) you request and receive a private letter ruling from the IRS. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

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

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

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

If you have an outstanding loan that is being offset

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

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

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

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

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

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you receive a payment that is not a qualified distribution and you do not roll it over, you will not have to pay the 10% additional income tax on early distributions with respect to the earnings

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

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

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

If you are not a plan participant

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

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

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum

distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

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

required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70 ½ (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 Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under a qualified domestic relations order. If you are the spouse or a 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 the participant would have (for example, you may roll over the payment as described in this notice).

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a

U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens 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 (only including payments from the designated Roth account in the Plan) are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than $1,000 will be directly rolled over to a Roth IRA chosen by the Plan Administrator. 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, see IRS Publication 3, Armed Forces' Tax Guide.

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

For More Information

You may wish to consult with the Plan Administrator, or 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.



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