E*TRADE

QUALIFIED RETIREMENT PLAN DISTRIBUTION REQUEST

E*TRADE Securities LLC
P.O. Box 484
Jersey City, NJ 07303-0484

General Fax Number: 866-650-0003
From Outside the US: +1 678 624 6950

- **You are required to submit a photocopy of a government-issued ID for the account holder that is requesting the transfer along with this form.**
- **Did you know you can request common types of Qualified Retirement Plan distributions online?** Visit quick and easy *etrade.com/onlinedistribution*.
- Securely upload your completed, signed, and dated forms to E*TRADE Customer Service on etrade.com through *Document Upload*.
- **Need Help?** Send us a secure message at *etrade.com/securemessage* or call 888-402-0654 from 7 a.m. to 8 p.m. ET, Monday - Friday.

1. ACCOUNT HOLDER INFORMATION

Name (first, middle initial, last)				**Date of Birth** (mm/dd/yyyy)	**Social Security Number or Tax ID Number**
Address				**City, State, ZIP**	
Country Code	**Home Phone**	**Country Code**	**Business Phone**	**Account Number**	
E-mail Address (required for account updates)					

2. EMPLOYER INFORMATION

Name of Employer	**Contact Name**	**Country Code**	**Contact Phone Number**
Address	**City, State, ZIP**		

3. DISTRIBUTION REASON AND METHOD

Distribution Reason (refer to Instructions)

- ☐ Termination of Employment ☐ Normal Retirement Age ☐ Required Minimum Distribution
- ☐ Disability *(I meet the requirements under IRS Code Section 72(m)(7))* ☐ Death *(Attach certified copy of a death certificate)*
- ☐ In Service Distribution *(Profit Sharing plans only)* ☐ Plan Termination
- ☐ Transfer Pursuant to Divorce *(Provide the Qualified Domestic Relations Order (QDRO) to your Plan Administrator)*
- ☐ Hardship Withdrawal *(Profit Sharing, Individual 401(k), and Roth Individual 401(k) plans only)*
- ☐ Excess Salary Deferral Removal *(Individual 401(k) and Roth Individual 401(k) plans only)*
- ☐ Qualified Childbirth and Adoption Expenses
- ☐ Disaster Relief *(Congress approved relief, including COVID-19 relief under CARES Act)*

Method of Distribution

*Until I give E*TRADE Securities written instructions to the contrary, I direct E*TRADE Securities or its affiliates to distribute the amount requested as follows:*

☐ **Onetime Payment**
(Requested funds must be available in the account for withdrawal)

☐ $ _____

☐ **Transfer Securities In-Kind**
*You are not required to sell securities before taking distributions. In Section 5, indicate the E*TRADE brokerage account to which you would like to have the securities transferred. Transfers are valued based on the previous day's closing prices.*

Security Symbol/Description*	Quantity*
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

*Attach a signed letter of instruction to list additional positions and quantities.

☐ **Balance of Account (including all cash and securities)**

☐ Close Account

☐ Leave Account Open for Future Deposits
(*Account will be closed unless this box is checked)*

☐ **Periodic Payments of (choose one):**
Requested funds must be in the account and available for withdrawal at the time each periodic payment is processed.

☐ $ _____

☐ Accrued Dividends and Interest By Check *(Recurring ACH payments can be requested by calling 1-800-387-2331)*

Distribution Frequency (choose one):

☐ Monthly ☐ Quarterly
☐ Semiannually ☐ Annually

Starting Date (MM/DD/YYYY): _____

3. DISTRIBUTION REASON AND METHOD (CONTINUED)

Payment Instructions

☐ Check
☐ Check by Express Mail (additional $20.00 fee)

☐ Deposit to existing non-IRA E*TRADE Securities brokerage account number:

☐ Deposit to existing non-IRA E*TRADE Bank account number:

☐ Transfer Money to my linked external account

(Visit *etrade.com/transfermoney* to link an account before submitting this form):

Bank Name

Bank Account Number

☐ Wire (additional $25.00 fee)

You are required to submit a government-issued photo ID if sending wire via this form. Photo ID is not required if requested online at etrade.com.

Bank Name

Bank Routing Number (ABA)

Bank Account Number

☐ Direct Rollover to (please choose one):

☐ Traditional IRA ☐ Roth IRA*

☐ Inherited Traditional IRA ☐ Inherited Roth IRA

☐ Qualified Plan ☐ SIMPLE IRA ☐ SEP IRA

* A rollover to a Roth IRA will result in all pre-tax assets you roll over being included in your taxable income.

Rollover to Account (please choose one):

☐ E*TRADE Account # _____

☐ Outside Account (attach payment instructions)

NOTE: If a rollover is being requested, you cannot roll over any distribution which would constitute a required minimum distribution. Please check with your employer for more information about required minimum distributions.

4. WITHHOLDING ELECTION (FORM W-4P/OMB #1545-0074)

For withholding on in-kind security distributions, there must be a sufficient cash balance to cover the withholding amounts specified. For withholdings specified as a percentage, the withholding amounts will be calculated on the gross cash amount plus the value of in-kind securities. If the address needs to be updated, please make the update before submitting the form.

This Withholding Election section only applies (for Federal withholding purposes) to distributions that are **not** eligible for rollover distributions. See the Withholding Notice and Instructions below. If the distribution contains securities, the distribution, when processed, will be valued at the price of the previous day's close. The market value of the securities and any associated withholding may fluctuate. For periodic payments, it is your responsibility to notify E*TRADE of any updates to your residential address as soon as possible to ensure state withholding taxes are applied properly.

Federal Withholding – If this section is not completed, 20% federal withholding will apply to any distributions along with any applicable state withholding.

☐ Withhold federal income tax at a rate of _____% *(not less than 20 percent)* from the amount withdrawn.

☐ Withhold additional federal income tax of $ _____ *(in addition to above percentage elected).*

☐ For qualified events, do not withhold. (This option is **only** available for required minimum distributions, hardship distributions, certain qualified disaster relief distributions, or certain equal periodic payments that are part of a series, qualified childbirth and adoption expenses, or excess removals).

State Withholding – Some states require tax withholding regardless of your election below if federal income tax is withheld. Also, some states do not allow state tax withholding. Refer to state withholding guidelines at *www.etrade.com/statewithholding*.

☐ Withhold state income tax from my requested amount in accordance with state requirements.

☐ Withhold additional State income tax of $ _____ *(in addition to above percentage elected).*

☐ For qualified events, do not withhold (see Withholding Notice on page 4).

5. WAIVER ELECTION (APPLICABLE TO MONEY PURCHASE PLANS ONLY)

Participant's Election to Waive Qualified Joint and Survivor Annuity
As a participant in my employer's qualified retirement plan, I acknowledge that I have read the "Distribution Notice." I understand that benefits will be paid to me in the form of a Qualified Joint and Survivor Annuity unless I waive that form of payment. I understand that if I am married, my spouse must also consent to the waiver. I hereby elect to waive the Qualified Joint and Survivor Annuity form of payment.

X _____
Participant signature **Date**

If you are not married, certify here: ☐ **I certify that I am not married**

X _____
Signature **Date**

Spousal Consent to Waiver of Qualified Joint and Survivor Annuity
I am the spouse of the participant named above. I hereby consent to my spouse's election not to have benefits under his or her plan paid in the form of a Qualified Joint and Survivor Annuity. I understand that by consenting to my spouse's waiver I may be forfeiting benefits I would be entitled to receive when my spouse dies. I also understand that my consent cannot be revoked unless my spouse revokes the above waiver.

X _____
Participant's spouse signature **Date**

Witness of Signature: The signature of the spouse must be witnessed by a Notary Public

Subscribed and sworn to before me on this day _____ of _____, 20____

X _____
Notary Public signature **Date**

6. SIGNATURES

I have read and understand the "Distribution Notice" provided to me. If applicable, if I am eligible to waive the notice requirements under Sections 402(f), 417(a)(3) and 411(a)(11) of the Internal Revenue Code, I hereby waive the 30 day notice period.

I certify that all information provided by me is true and accurate, and I agree to submit additional information if requested. No tax advice has been given to me by my recordkeeper, the Plan Sponsor, or E*TRADE Securities. All decisions regarding this distribution are my own. I certify that I have met the requirements under the Internal Revenue Code and related notices for the distribution reason I have chosen, and I can provide documentation substantiating eligibility to the IRS upon request.

By signing, I hereby agree to indemnify and hold harmless E*TRADE, their successors and assigns, from and against any losses, claims, liabilities, damages, actions, charges, and expenses including attorney fees, resulting from compliance with this request, including but not limited to, damages, court costs and legal fees resulting from reliance or action taken in reliance upon the information provided on this form as received by E*TRADE Securities and that E*TRADE Securities bears no responsibility for verifying the accuracy of the transfer instructions provided.

I expressly assume the responsibility for any adverse consequences that may arise from this withdrawal and I agree that the recordkeeper, Plan Sponsor, E*TRADE Securities, and any plan fiduciary shall in no way be held responsible.

X _____
Participant or beneficiary signature (if participant is deceased) **Date**

X _____
Authorized plan administrator or employer **Date**

System response and account access times may vary due to a variety of factors, including trading volumes, market conditions, and system performance.

The E*TRADE Financial family of companies provides financial services, including trading, investing, and banking products and services to retail customers.

Securities products and services are offered by E*TRADE Securities LLC, Member FINRA/SIPC.

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Instructions for Direct Rollover of Eligible Rollover Distributions

There are two ways you may be able to receive a Plan payment that is eligible for rollover: (1) certain payments can be made directly to an IRA or, if you choose, another qualified employer plan, eligible 457(b) plan, 403(a) or 403(b) plan that will accept it (direct rollover), or (2) the payment can be paid to you. If you chose to have your Plan benefit paid to you, you will receive only 80 percent of the payment (less any additional state withholding, if applicable), because the Plan Administrator is required to withhold 20 percent of the payment and any mandatory state taxes and send it to the IRS and state as income tax withholding to be credited against your taxes. You cannot waive mandatory withholding.

Eligible rollover distributions are all distributions from the Plan except the following:

- required minimum distributions;
- certain distributions that are part of a series of equal (or almost equal) periodic payments that will last for your lifetime (or joint lifetime of you and your beneficiary) or for a specified period of 10 years or more; and
- distributions due to hardship
- Qualified disaster-related distributions identified by the IRS as exempt from mandatory 20% federal tax withholding.

Your Plan Administrator has given or will give you a notice which describes your options in greater detail.

If you want your Plan Administrator to make a **direct rollover** of your plan payment to an IRA, another qualified employer plan, eligible 457(b) plan, 403(a) or 403(b) plan you must provide certain information about that IRA or plan. Your Plan Administrator will specify that information. The Plan Administrator may ask you to complete and attach a *Direct Rollover* Request or similar form.

If you are a spouse beneficiary, eligible rollover distributions can generally be made directly to another qualified employer plan, eligible 457(b) plan, 403(a) or 403(b) plan, that will accept it (direct rollover) or if you choose, a Traditional, Roth or SIMPLE IRA or inherited Traditional or Roth IRA. If you are a nonspouse beneficiary, you may only roll over the distribution directly to an inherited Traditional or Roth IRA. If you choose to have your plan benefit paid to you, you will receive only 80 percent of the payment (less any additional state withholding, if applicable) because the Plan Administrator is required to withhold 20 percent of the payment and any mandatory state taxes and send it to the IRS and state as income tax withholding to be credited against your taxes. **You cannot waive mandatory withholding**. If you choose to roll over to a Roth IRA, you must include all pre-tax assets in your taxable income in the year of the distribution.

Withholding Notice and Instructions (Substitute form W-4P OMB#1545-0074) General
Distributions from your qualified retirement plan are subject to Federal (and in some cases, State) income tax withholding. From some distributions, you can elect not to have withholding apply. However, you cannot waive withholding on any eligible rollover distribution that is paid to you. See the information above for the definition of eligible rollover distribution and a description of the mandatory 20 percent withholding. You may choose to have more than 20 percent withheld by completing the information below. **If you do not make a selection, 20 percent federal income tax and applicable state tax will be withheld on the taxable amount of your distribution.**

Election of No Withholding

Distributions that are not Eligible Rollover Distributions
If your distribution is not an eligible rollover distribution (see the definition of eligible rollover distribution above) you may elect not to have withholding apply. Check the withholding box (or boxes) if you do not want any Federal (or State, if applicable) income tax withheld from your distribution. Even if you do not have income tax withheld, you are liable for payments of income tax on the taxable portion of your distribution. You may also be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate.

The election to not have withholding apply does not apply to any periodic or nonperiodic distributions that are delivered outside the U.S. or its possessions to a U.S. citizen or resident alien. If you are a non-resident alien, do not complete this section. Your distributions are generally subject to a tax-withholding rate of 30 percent. A reduced withholding rate, including exemption, may apply if there is a tax treaty between your country of residence and the United States, and you submit Form W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, or satisfy the documentation requirements as provided under the regulations.

Periodic Distributions

For the purposes of the withholding rules on distributions that are not eligible rollover distributions, a periodic distribution is one that is includible in your income for tax purposes and that you receive in installments at regular intervals (e.g., annually, quarterly, monthly, etc.) over a period of time (generally, at least one year).

Withholding Exceptions

The 20% mandatory withholding does not apply to certain types of withdrawals, including:

- Required Minimum Distribution
- Qualified Hardship Withdrawal
- Excess Removal of Salary Deferral
- Divorce-Related Transfer
- Other QDRO (i.e., Non-Spouse)
- Death Distribution
- Qualified Childbirth and Adoption Expenses
- Certain Qualified Disaster Relief Distributions

CAUTION: Remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see Publication 505. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from you pension or annuity using Form W-4P.

Instructions for Waiver Election for Qualified Joint and Survivor Annuity

Employer

This Waiver Election is applicable to Money Purchase Pension Plans. It does not apply to Profit Sharing Plans and 401(k) Plans, since these plans include a REA Safe Harbor provision. As such, no existing plan assets are subject to the REA annuity requirements.

Participant

If you have a Money Purchase Plan and do not want to receive payments of benefits in the form of a Qualified Joint and Survivor Annuity, the Waiver Election section must be completed by you. If you are married, your spouse must also provide their consent by completing the Spousal Waiver within the Waiver Election section.

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Qualified Retirement Plan
DISTRIBUTION NOTICE
Important Information About Your Qualified Retirement Plan Distribution

INTRODUCTION

As a participant in your employer's qualified retirement plan, you have accumulated a vested account balance. You may receive your vested account balance only if you incur a triggering event. You may incur a triggering event if:

- you are no longer working for your employer,
- you attain the normal retirement age indicated in the Plan,
- you become disabled under the Plan's definition,
- your employer terminates the Plan,
- your Plan permits in-service distributions (may be limited to certain contribution sources),
- your Plan permits distributions during phased retirement (only applicable to certain plans and limited to participants that have attained age 62), or
- you incur a hardship (only applicable to certain plans and may be limited to certain contribution sources).

However, you must refer to your Summary Plan Description to identify the specific triggering events which apply under your Plan.

NOTE: *Generally, payments from your employer's qualified retirement plan must be delayed for a minimum of 30 days after you receive this notice, to allow you time to consider your distribution options. Although you are entitled to consider your distribution options for a period of 30 days, you may waive this 30 day notice requirement. If you waive the 30 day notice requirement, your employer must wait seven days from the date you received this notice before commencing distributions.*

The law dictates the optional forms that your payments may take. The law also specifies how the different types of payments will be taxed. This notice summarizes your distribution options and illustrates the financial effect and the tax consequences of each distribution option.

PART ONE of this notice describes the Plan payment options available to you. PART TWO describes your beneficiary(ies) payment options. PART THREE contains a special tax notice, required by the IRS, that explains the tax treatment of your Plan payment that is not from a designated Roth account and describes the rollover options available to you. PART FOUR contains a special tax notice, required by the IRS, that explains the tax treatment of your Plan payment from a designated Roth account and describes the rollover options available to you.

NOTE: The payment amounts indicated in this notice are only examples. The calculations for the qualified joint and survivor annuity are based on standard mortality tables using a five percent interest rate and a payment age of 65. Actual payment amounts will vary depending upon the entity from which you purchase your annuity. You may obtain financial projections based upon your account balance by submitting a request, in writing, to the Plan administrator (usually the employer).

PART ONE — PAYMENT OPTIONS FOR PLAN PARTICIPANTS

IMPORTANT NOTICE TO PARTICIPANT

Read the following message before reviewing your options.

Of the four options listed below, some may not be available to you. If your plan is a Profit Sharing Plan or 401(k) Plan, the Plan is known as a "REA safe harbor" plan, and no existing Plan assets are subject to the REA annuity requirements. In that case, Option III listed below is not available to you, and Option IV may be available to you only under limited circumstances.

If your vested account balance does not exceed the Plan's cashout level at the time of distribution, the Plan administrator generally may pay your distribution to you in a single cash payment, regardless of whether you consent to the distribution. A distribution made without your consent is called a cashout distribution. If your Plan allows for cashout distributions of amounts less than $5,000, a cashout distribution of an amount greater than $1,000 that is an eligible rollover distribution must be directly rolled over by the Plan administrator to an individual retirement arrangement (IRA) chosen by the Plan administrator. You may subsequently transfer the IRA to another IRA provider, once the IRA has been established. However, if your vested account balance exceeds the Plan's cashout level, you must generally consent to the form of payment, and, therefore may, if you wish, postpone commencement of distributions from your account balance.

Your Employer intends for your Plan account to provide income to you during retirement. If you take a distribution prior to retiring or spend your retirement savings too quickly, you may not have sufficient income to live on in retirement. If you terminate employment and leave your money in the Plan, a share of the Plan's administrative expenses may be charged to your account each year. Refer to your Plan administrator for an explanation of any administrative expenses that may be charged to the accounts of terminated participants.

If you choose to roll over your vested account balance to an IRA or other eligible retirement plan, the distributing Plan's investment options may not be available under the receiving retirement arrangement and the fees may differ from those charged to you if your balance remained in the Plan. Complete information concerning available investment options and fees currently charged by the Plan is available from your Plan administrator. Consult your financial advisor for a description of investments available outside of the Plan and any applicable fees associated with them.

DISTRIBUTION OPTIONS

OPTION I — LUMP SUM PAYMENT

If you properly waive the qualified joint and survivor annuity or if this is a REA safe harbor plan and no existing Plan assets are subject to the REA annuity requirements, you may request a lump sum payment.

A. LUMP SUM PAYMENT DEFINED

A lump sum payment is the payment of your entire vested account balance.

B. FINANCIAL EFFECT AND TAX CONSEQUENCES OF A LUMP SUM PAYMENT

Generally a lump sum payment is included in your income and taxed in the year of the distribution. Most lump sum payments are eligible rollover distributions and would, therefore, be subject to the 20 percent withholding rules unless directly rolled over to another plan or IRA. See Parts Three and Four of this notice for more information.

OPTION II — INSTALLMENT PAYMENTS

If the qualified joint and survivor annuity is properly waived or if this is a REA safe harbor plan, you may elect to receive your vested account balance in installment payments. Installment payments for a period of less than 10 years are generally eligible rollover distributions and would, therefore, be subject to the 20 percent withholding rules unless directly rolled over to another plan or IRA. See Parts Three and Four of this notice for more information.

A. INSTALLMENT PAYMENTS DEFINED

Installment payments are payments distributed to you in any amount you choose at intervals that you determine within limits set by the trustee or custodian. For example, the payments could be paid to you annually, semiannually, quarterly, or monthly. The payment schedule you choose cannot be longer than your single life expectancy or, if you have a beneficiary named, the joint life expectancy of you and your beneficiary.

B. FINANCIAL EFFECT AND TAX CONSEQUENCES OF INSTALLMENT PAYMENTS

Generally, each installment payment will be included in your income in the year in which you receive it. For example, a participant who elects to receive $500 per month will include $6,000 ($500 x 12 months) in income each tax year.

OPTION III — QUALIFIED JOINT AND SURVIVOR ANNUITY

The law requires that your vested account balance be paid to you in the form of a qualified joint and survivor annuity if you are married, or a single life annuity if you are not married. If you wish to receive your vested account balance using a different distribution option (including a qualified optional survivor annuity), you must waive the qualified joint and survivor annuity (the single life annuity if you are not married) and your spouse must consent to the annuity waiver.

Unless properly waived, you will receive your vested account balance in the form of a qualified joint and survivor annuity (the single life annuity if you are not married).

A. QUALIFIED JOINT AND SURVIVOR ANNUITY DEFINED

If you are married, a qualified joint and survivor annuity is a series of periodic payments to you during your lifetime and to your spouse upon your death. The periodic payment amount your spouse receives will be a set percentage of the periodic payment amount you received during your lifetime. To determine the percentage your spouse would receive (i.e., survivor annuity), contact your Plan administrator.

If you are not married, a qualified joint and survivor annuity is a series of annuity payments over your life.

B. WAIVING THE QUALIFIED JOINT AND SURVIVOR ANNUITY

If you wish to receive your vested account balance using one of the other options listed in Part One of this form, you (and, if you are married, your spouse) must waive the qualified joint and survivor annuity. You can waive the qualified joint and survivor annuity by completing a distribution form. You can obtain this form from your Plan administrator. After waiving the qualified joint and survivor annuity by signing the distribution form, and, if applicable, the spousal consent section of the form, you may receive your vested account balance using one of the other distribution methods explained in Part One of this notice.

C. FINANCIAL EFFECT AND TAX CONSEQUENCES OF A QUALIFIED JOINT AND SURVIVOR ANNUITY

As stated above, a qualified joint and survivor annuity will provide periodic payments to you during your lifetime and, if you are married, to your spouse after your death. Your spouse will generally receive smaller periodic payments than you received while you were alive. The annuity will be provided by purchasing an annuity contract from an insurance company with your account balance under the Plan. Generally, each payment is included in income in the year it is received. For example, assume a participant retires with a $10,000 vested account balance. A qualified joint and survivor annuity would provide him or her with the following payments.

Lifetime Monthly Participant Benefit	% of Survivor Annuity*	Monthly Survivor Benefit
$63.40	100%	$63.40
$66.30	75%	$49.72
$67.30	66.67%	$44.86
$69.40	50%	$34.70

*These estimates are derived from standard mortality tables using a participant with a 65 year old spouse beneficiary beginning payments at age 65. To determine the survivor annuity percentage, contact the Plan administrator.

The example above uses estimates and should not be viewed as an assurance that an insurer is able to provide the specific amount disclosed.

D. QUALIFIED OPTIONAL SURVIVOR ANNUITY DEFINED

If the qualified joint and survivor annuity is waived, you may use your vested account balance to purchase a qualified optional survivor annuity. Like a qualified joint and survivor annuity, a qualified optional survivor annuity is a series of periodic payments to you during your lifetime and to your spouse upon your death.

The optional survivor annuity means an annuity (1) for your life with a survivor annuity for the life of your spouse which is equal to the applicable percentage of the amount of the annuity which is payable during the joint lives of you and your spouse, and (2) which is the actuarial equivalent of a single annuity for your life. If the survivor annuity percentage (1) is less than 75 percent, the applicable percentage is 75 percent, and (2) is greater than or equal to 75 percent, the applicable percentage is 50 percent. To determine the amount your spouse would receive, contact your Plan administrator.

OPTION IV — ANNUITY CONTRACT

If the Plan is a REA safe harbor plan, or the qualified joint and survivor annuity is properly waived, you may purchase an annuity contract with your vested account balance. This distribution option allows you to choose the type of annuity contract you wish to purchase. However, if the Plan is a REA safe harbor plan, you cannot elect payments in the form of a life annuity.

A. ANNUITY CONTRACT DEFINED

You may use your vested account balance to purchase a term certain annuity, a single life annuity (not available for REA safe harbor plans) or any other form of annuity. A term certain annuity would distribute dollars to you and your beneficiary for a specified number of years. A single life annuity would distribute dollars to you for your lifetime and would cease distributions after your death.

B. FINANCIAL EFFECT AND TAX CONSEQUENCES OF THE ANNUITY

If you elect to use your vested account balance to purchase a single life annuity, you will receive payments as long as you are alive. The annuity will be provided by purchasing an annuity contract from an insurance company with your account balance under the Plan. Generally, each payment will be included in your income in the year it is received. For example, a participant who is age 65 with a $10,000 vested account balance will receive $76.60 per month while he or she is alive. This example is an estimate and should not be viewed as an assurance that an insurer is able to provide the specific amount disclosed.

PART TWO — PAYMENT OPTIONS FOR BENEFICIARIES OF DECEASED PLAN PARTICIPANTS

IMPORTANT NOTICE TO BENEFICIARY

If you are the designated beneficiary of a deceased participant's vested account balance, you are eligible to receive a distribution. The form of the benefit depends on several factors including, but not limited to, the type of plan and the amount in the participant's account. Of the options above, some may not be available to you.

OPTION I — PARTICIPANT'S ACCOUNT BALANCE

If the participant's vested account balance was $5,000 or less at the time of distribution, the Plan administrator is required to pay your distribution to you in a single cash payment. If the participant's vested account balance exceeded $5,000, you must consent to the form of payment.

OPTION II — TYPE OF PLAN

NOTE: *The Plan administrator can tell you which type of plan this is.*

A. REA SAFE HARBOR PLANS (PROFIT SHARING OR 401(K) PLANS ONLY)

You may select either Part One, Option I or II. However, if you select the installment payment method described in Part One, Option II, the payment schedule you choose cannot be longer than your life single expectancy.

B. ALL OTHER PLANS

If the Plan participant died before distributions commenced and you are a spouse beneficiary, distributions from the Plan must be paid to you (if applicable) in the form of a qualified preretirement survivor annuity, unless the annuity requirement was properly waived. A participant waives the annuity requirement by completing a "Designation of Beneficiary" form and obtaining your written consent to the waiver. If the participant did not execute the required waivers, then his or her account balance will be paid to you (the deceased participant's spouse) in the form of a preretirement survivor annuity unless the Plan specifically permits you to elect to receive payments in a form other than a qualified preretirement survivor annuity. If you are a nonspouse beneficiary of a deceased participant who was married, you will not receive any payment from the Plan unless the participant properly waived the requirement that his or her spouse be the beneficiary.

If the qualified preretirement survivor annuity was properly waived by the participant and/or his or her spouse (if applicable), then you may receive the entire vested account balance in a lump sum payment as explained in Part One, Option I of this notice. The rollover option described in Parts Three and Four is available only if you are the spouse of the deceased participant. However, spouse and nonspouse beneficiaries may be able to directly roll over their balance to an inherited IRA as described in Parts Three and Four of this notice. The other distribution options available to you as a beneficiary are explained in Part One, Option II and Option IV. However, the payment schedule you choose cannot be longer than your single life expectancy.

PART THREE — 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 your retirement 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, refer to Part Four of this notice for information on 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 percent 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 percent 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 percent of the payment for federal income taxes and any mandatory state taxes, if applicable (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 percent withheld and any state taxes 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 percent 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
  - If you were born before July 1, 1949, you are required to take a minimum distribution from your IRA for the year in which you reach age 70½ and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 70½.
  - If you were born on or after July 1, 1949, you are required to take a minimum distribution from your IRA for the year in which you reach age 72 and for each year thereafter. You must take your first distribution by your required beginning date, which is April 1 of the year following the year you attain age 72.
- 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 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 percent additional income tax on early distributions?
If you are under age 59½, you will have to pay the 10 percent 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 percent 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 defined benefit pension plan 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
- 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
- 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.

If I do a rollover to an IRA, will the 10 percent 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 percent additional income taxo on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10 percent additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

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

Will I owe State income taxes?
This notice does not describe any State or local income tax rules (including withholding rules). Please review your state-specific withholding requirements or discuss with a tax advisor for more information.

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 aftertax 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 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. To apply for a waiver, 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 amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10 percent additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

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 percent 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 percent 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 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 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 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, member of a rescue squad or ambulance crew, nuclear materials courier, U.S. Capitol police, Supreme Court police, or diplomatic security special agent.

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 percent 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 percent 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 percent 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 percent additional income tax on early distributions (unless an exception applies).

If you roll over your payment to a SIMPLE IRA
If you wish to roll over your payment to your SIMPLE IRA, you may only do so after the SIMPLE IRA has been open for two years from the date of the first deposit.

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 percent 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 percent additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA would start on your required beginning date.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10 percent 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 participant would have reached their required beginning date.

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 percent additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

If you do not do a direct rollover to an inherited IRA, the Plan is required to withhold 20 percent of the payment for federal income taxes. You cannot waive the 20 percent withholding.

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 percent 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 percent, the Plan is generally required to withhold 30 percent 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 should contact a tax professional to discuss your options.

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 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 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, see IRS Publication 3, *Armed Forces' Tax Guide*.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571,*Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

PART FOUR — 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 your retirement plan (the "Plan") is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, refer to Part Three of this notice for information on 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 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 percent 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:

- I f 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 percent additional income tax on early distributions if you are under age 59½ (unless an exception applies).

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

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20 percent 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 percent 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 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
- 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).

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 percent 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 percent 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 percent 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
- 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.

If I do a rollover to a Roth IRA, will the 10 percent 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 percent 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 percent 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.
- 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). Please review your state-specific withholding requirements or discuss with a tax advisor for more information.

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline
Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline undercertain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require thepayment 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 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 amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and, if the distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10 percent additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan.

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 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, nuclear materials courier, U.S. Capitol police, Supreme Court police, or diplomatic security special agent.

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 percent 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 percent 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 percent 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 reached their required beginning date.

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 percent additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

If you do not do a direct rollover to an inherited IRA, the Plan is required to withhold 20 percent of the payment for federal income taxes. You cannot waive the 20 percent withholding.

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 percent, the Plan is generally required to withhold 30 percent 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 should contact a tax professional to discuss your options.

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 or 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, see IRS Publication 3, *Armed Forces' Tax Guide*.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

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