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GENERAL INSTRUCTIONS FOR 403(b)(7) DISTRIBUTIONS

IMPORTANT INFORMATION

Before proceeding, contact your employer's Plan Administrator to discuss your distribution options.

In addition, it is important that you read the *Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments* included in this booklet.

To request a distribution from a 403(b) custodial account, you must complete:

Form A - 403(b) Participant's Request for Distribution in its entirety for all distribution requests (except required minimum distributions, see below).

Financial Hardship:

Form A - 403(b) Participant's Request for Distribution, and
Form B - 403(b) Financial Hardship Certification Form (employer's signature required)

Direct Rollover: - If you have met the qualifications for a distribution and are electing to roll the proceeds directly into an individual retirement account, 403(b) or other qualified plan account, please complete:

Form A - 403(b) Participant's Request for Distribution, and
Form C - 403(b) Direct Rollover/Affirmative Election Form (include a completed W-9 if requesting a surviving spouse direct rollover)

Note: Please refer to the *Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments* for rollover rules.

Qualified Domestic Relations Order (QDRO):

Form A - 403(b) Participant's Request for Distribution, and
Form C - 403(b) Direct Rollover/Affirmative Election Form
Include a certified copy of the QDRO and a completed W-9

Required Minimum Distributions:

Form D - 403(b) Required Minimum Distribution Election Form

Please note: This booklet is 11 pages in its entirety, and consists of four separate forms and a special tax notice. Different forms are required depending upon the type of distribution you are requesting. Please be sure to print and complete all pages of each form needed for your distribution type. You must return the appropriate completed forms as identified in the instructions above to avoid processing delays.

Important Information for Non Resident Aliens: In the absence of a tax treaty exemption, nonresident aliens, nonresident alien beneficiaries, and foreign estates generally are subject to a 30% federal withholding tax on the taxable portion of periodic or nonperiodic pension payments from U.S. sources. For details, see Publication 515, "Withholding of Tax on Nonresident Aliens and Foreign Entities", and Publication 519, "U.S. Tax Guide for Aliens". A foreign person should submit Form W-8Ben, "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding" along with their request. See page 4 of the *Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments.*

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FORM A - 403(b) PARTICIPANT'S REQUEST FOR DISTRIBUTION

Please read the *Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments*

PARTICIPANT INFORMATION

Participant Name: Account Number:

Address:

City: State: Zip Code:

Social Security Number: Date of Birth: Telephone Number:

DISTRIBUTION REASON

Note: There is a mandatory 20% Federal tax withholding from all 403(b) distributions, except for direct rollovers, asset transfers, required minimum distributions, and others as described in the *Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments*.

I direct the Custodian to make a distribution from the referenced custodial account for the following reason (check one):

☐ 1. Early (premature) Distribution, no known exception applies - This also applies if you are separated from service and are under age 55. If separated from service and you are requesting a direct rollover to an IRA, 403(b) or qualified plan, check this box ☐. You must also complete and attach **Form C** - 403(b) Direct Rollover/Affirmative Election Form. If you qualify for and are requesting a premature distribution due to financial hardship, check this box ☐. You must also complete and attach **Form B** - 403(b) Financial Hardship Certification Form. **Note:** assets received through a hardship withdrawal are not eligible for rollover.

☐ 2. Early (premature) Distribution, exception applies - This reason applies to separation from service after age 55 (including retirement) or an IRS Levy. If separated from service or retired and you are requesting a direct rollover to an IRA, 403(b) or qualified plan, check this box ☐. You must also complete and attach **Form C** - 403(b) Direct Rollover/Affirmative Election Form.

☐ 3. Normal Distribution – You are the participant who is age 59½ or older and no other reason applies. If you are requesting a direct rollover to an IRA, 403(b) or qualified plan, check this box ☐. You must also complete and attach **Form C** - 403(b) Direct Rollover/Affirmative Election Form.

☐ 4. Substantially Equal Periodic Payments (after separation of service) - You are certifying that you meet the requirements within the meaning of Section 72(t) of the Internal Revenue Code. Please proceed to option #4 in the section titled **Distribution Request**.

☐ 5. Permanent Disability - You are disabled within the meaning of Section 72(m)(7) of the Internal Revenue Code. (For purposes of Section 72(m)(7), an individual shall be considered to be disabled if they are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.) If you are requesting a direct rollover to an IRA, 403(b) or qualified plan, check this box ☐. You must also complete and attach **Form C** - 403(b) Direct Rollover/Affirmative Election Form.

☐ 6. Participant's Death - If you are a beneficiary, please contact Shareholder Services for additional requirements. If you are requesting a direct rollover, check this box ☐. You must also complete and attach **Form C** - 403(b) Direct Rollover/Affirmative Election Form.

☐ 7. Prohibited Transaction as defined by Internal Revenue Code 4975.

☐ 8. Corrective Distributions of Excess Deferrals, Excess Contributions and/or Excess Aggregate Contributions under sections 401(k) and 401(m).
Date of Excess Contribution Deposit: _____

☐ 9. Plan Termination - Termination Date: _____

☐ 10. Distribution pursuant to a Qualified Domestic Relations Order (QDRO) - You must include a certified copy of the QDRO. If the proceeds are to be directly rolled into an IRA, 403(b) or qualified plan, you must also complete and attach **Form C** - 403(b) Direct Rollover/Affirmative Election Form.

☐ 11. Qualified Rollover Contribution - (Conversion) - You are electing to convert the proceeds of your employer's 403(b) plan to a Roth IRA. You must also complete and attach **Form C** - 403(b) Direct Rollover/Affirmative Election Form.

Important: For non-reportable trustee to trustee transfers please complete the appropriate receiving custodian's transfer form. All required documentation must be received in good order before the distribution request will be honored. All legal documents must be certified and a Medallion Signature Guarantee may be required.

DISTRIBUTION REQUEST

I request that the proceeds from my custodial account be paid as follows: (Amount and Frequency)

☐ 1. Entire Account Balance - in a single payment of the available balance in my account.

☐ 2. Partial Distribution Amount $_____ in a single payment from Fund(s): _____

☐ 3. Periodic Distribution Amount $_____ from Fund(s): _____

☐ a) Automatic withdrawals in a series of ☐ monthly ☐ quarterly ☐ semi-annual ☐ annual installments beginning on _____

☐ b) Automatic withdrawals in a series of ☐ monthly ☐ quarterly ☐ semi-annual ☐ annual installments beginning on _____ and continuing over a fixed period of _____ ☐ months ☐ years

Continued on next page.

☐ 4. Substantially Equal Periodic Payments within the meaning of Section 72(t) of the Internal Revenue Code distributed proportionally across all investments.
Distribute in a series of ☐ monthly ☐ quarterly ☐ semi-annual ☐ annual installments beginning on _____

Fixed Amount $_____ or,

Calculate under the RMD method using the following table: ☐ Uniform Lifetime Table ☐ Single Life Table ☐ Joint and Last Survivor Table*

*Beneficiary's Name: _____ Date of Birth: _____

METHOD OF PAYMENT

Based on your selected distribution method, a Medallion Signature Guarantee Stamp may be required. Please refer to your prospectus or call us for specific requirements.

☐ Process a Direct Rollover – I have completed, attached and signed **Form C - 403(b) Direct Rollover/Affirmative Election Form** providing payment instructions.

☐ Mail check to my address of record currently on file.

☐ Purchase into my non-retirement account. ☐ Application attached with investment instructions (or) ☐ Existing Account Number _____

investing in the following Fund(s): _____

☐ Transfer funds electronically via ACH. ☐ Existing instructions on file ☐ New - ***Requires Medallion Signature Guarantee Stamp (attach a voided check).**

Name of Financial Institution:_____

Address: _____

Bank Routing Number: _____ Bank Account Number:_____

The receiving bank account must include your name in the account registration.

☐ Mail check to the bank address above for deposit. (Not for Direct Rollovers or Transfers.)

Note: If a payment method is not selected, the proceeds will be issued as a check payable to you and mailed to your address of record.

FEDERAL WITHHOLDING

Section I - Voluntary Withholding - This section applies if the distribution **is not** an "eligible rollover distribution" as described in §402(c) of the Internal Revenue Code. Eligibility is described in the ***Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments***. (Check one of the following boxes.)

☐ I elect **TO NOT** have federal income tax withheld from my payment(s). ***This option is only available for accounts registered with an address in the United States.***

☐ I elect **TO** have _____ % federal income tax withheld from my payments.

NOTE: Even if you elect not to have federal income tax withheld, you are liable for payment of federal income tax on the taxable portion of your distribution or withdrawal. 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.

Section II - Mandatory 20% Withholding - This section applies if the distribution **is** an "eligible rollover distribution" as described in §402(c) of the Internal Revenue Code and you do not elect to directly roll the monies into another qualified plan, 403(b) or individual retirement account. **I understand that I will receive only 80% of the payment since the Custodian is required to withhold 20% of the distribution and send it to the IRS as federal income tax withholding to be credited against my taxes.**

STATE WITHHOLDING

Your state of residence will determine your state income tax withholding requirements, if any. Those states with mandatory withholding may require state income tax to be withheld from payments if federal income taxes are withheld or may mandate a fixed amount regardless of your federal tax election. Voluntary states let individuals determine whether they want state taxes withheld. Some states have no income tax on retirement payments. Please consult with a tax advisor or your state's tax authority for additional information on your state requirements.

☐ I elect **TO NOT** have state income tax withheld from my retirement account distributions (only for residents of states that do not require mandatory state tax withholding).

☐ I elect **TO** have the following dollar amount or percentage from my retirement account distribution withheld for state income taxes (for residents of states that allow voluntary state tax withholding). $ _____ or _____ %

PARTICIPANT CERTIFICATION

I certify that I am the proper party authorized to make these elections and that all information provided is true and accurate. I further certify that no tax or legal advice has been given to me by the Custodian, the Sponsor, or any agent of either of them, and that all decisions regarding the elections made on this form are my own. The Custodian is hereby authorized and directed to distribute funds from my account in the manner requested. The Custodian may conclusively rely on this certification and authorization without further investigation or inquiry. I expressly assume responsibility for any adverse consequences which may arise from the election(s) and agree that the Custodian, the Sponsor, and their agents shall in no way be responsible, and shall be indemnified and held harmless, for any tax, legal or other consequences of the election(s) made on this form. I have received, read, understand and agree to be legally bound by the terms of this form. ***By completing this form, I am affirmatively electing to waive the 30 day notification period as described in the Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments.***

Signature: **Date:**

*Medallion Signature Guarantee Stamp and Signature: An eligible guarantor is a domestic bank or trust company, securities broker/dealer, clearing agency or savings association that participates in a medallion program recognized by the Securities Transfer Agents Association. The three recognized medallion programs are the Securities Transfer Agents Medallion Program (known as STAMP), Stock Exchanges Medallion Program (SEMP), and the Medallion Signature Program (MSP). A notarization from a notary public is NOT an acceptable substitute for a signature guarantee.

Medallion Signature Guarantee Stamp

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FORM B – 403(b) FINANCIAL HARDSHIP CERTIFICATION FORM

Include this form with your completed **FORM A - 403(b) PARTICIPANT'S REQUEST FOR DISTRIBUTION** indicating the amount and method for distribution.

Amounts available for hardship distribution include: (1) elective deferral amounts (including earnings) as of 12/31/88; plus (2) elective deferrals (no earnings) contributed after 12/31/88; less (3) previous distributions on account of hardship.

A distribution of elective contributions to be made due to financial hardship must satisfy two conditions:

1) The employee has an immediate and heavy financial need; and

2) The distribution must be necessary to satisfy that need.

Qualifying expenditures for hardship distributions include the following:

☐ Medical expenses previously incurred by the employee, the employee's spouse, or any dependants of the employee (as defined in Section 152 of the Internal Revenue Code) or amounts necessary for these persons to obtain medical care;

☐ Purchase of a principle residence for the employee;

☐ Payment of tuition and other educational fees (including payments for room and board expenses for the 12 month period) for the next 12 months of post-secondary education for the participant, his or her spouse, children or dependants;

☐ The need to prevent the eviction of the employee from his principle residence or foreclosure on the mortgage of the employee's principle residence;

☐ Payments for burial or funeral expenses for the employee's deceased parent, spouse, children or dependants;

☐ Expenses for the repair of damage to the employee's principal residence that would qualify for the casualty deduction under Section 165 of the Internal Revenue Code (even if the loss does not exceed 10% of adjusted gross income);

PARTICIPATION CERTIFICATION

I certify that I am the Participant authorized to make this election and that all information provided is true and accurate to the best of my knowledge. The Custodian may conclusively rely on this certification and authorization without further investigation or inquiry. I certify that I have obtained and will continue to maintain adequate documentation necessary to support my qualifications for financial hardship, that all other financial means available were previously exhausted and that the sum of the distributions from multiple vendors, if applicable, does not exceed the amount needed to relieve the hardship.

Participant's Signature: **Date:**

EMPLOYER OR PLAN ADMINISTRATOR CERTIFICATION (REQUIRED)

I, the Employer or the Employer's Plan Administrator, certify that hardship distributions are allowable under the 403(b) plan.

Name of Authorized Representative of Employer:

Signature of Authorized Representative of Employer: **Date:**

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FORM C - 403(b) DIRECT ROLLOVER / AFFIRMATIVE ELECTION FORM

You must complete **FORM A - 403(b) PARTICIPANT'S REQUEST FOR DISTRIBUTION** and attach it to this form. Failure to do so will cause your request to be rejected.

PARTICIPANT INFORMATION

403(b) Participant Name: _____ Account Number: _____

Surviving Spouse, Beneficiary, Former Spouse or Alternate Payee Name: _____

AFFIRMATIVE ELECTION – for Direct Rollover

1) Depending upon your relationship to the participant, complete either a, b or c below.

a) DIRECT ROLLOVER by:

☐ Plan Participant ☐ Surviving Spouse

DIRECT ROLLOVER to:

☐ Qualified Plan ☐ 403(b) Plan ☐ Traditional IRA
☐ Roth IRA as a Qualified Rollover Contribution (conversion)

b) DIRECT ROLLOVER by:

☐ Non-Spouse Beneficiary

DIRECT ROLLOVER to:

☐ Beneficiary / Inherited Traditional IRA
☐ Beneficiary / Inherited Roth IRA as a Qualified Rollover Contribution (conversion)

c) DIRECT ROLLOVER by:

☐ Former Spouse or Alternate Payee under a Qualified Domestic Relations Order (QDRO)

DIRECT ROLLOVER to:

☐ Qualified Plan ☐ 403(b) Plan ☐ Traditional IRA
☐ Roth IRA as a Qualified Rollover Contribution (conversion)

2) This election shall apply to (check one):

a) ☐ The entire account balance (or) **b)** ☐ $ _____ as listed in **Form A** under the section titled **Distribution Request**.

3) I hereby elect to have my benefit under the 403(b) custodial account paid in a DIRECT ROLLOVER to (please print):

Successor Custodian: _____

For Benefit of :_____ **(or)**
(Participant, Surviving Spouse, Former Spouse or Alternate Payee)

For a Non-Spouse Beneficiary/Inherited IRA, For Benefit of: _____ _____
(Non-Spouse Beneficiary) (403(b) Participant's Name)

Account Number*: _____

Successor Custodian Address: _____

Contact Name: _____ Telephone Number:_____

***Note:** You must contact the successor custodian and provide them direction as to how you want the proceeds invested.

CERTIFICATION SIGNATURE

I certify I have received and read the ***Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments*** and understand that I have at least 30 days to choose between a direct rollover or payment. I authorize and direct the Custodian to facilitate a direct rollover as indicated above. ***By completing this form I am affirmatively electing to waive the 30 day notification period as described in the Rollover Explanation For Qualified Plans and 403(b) Plans - Special Tax Notice Regarding Plan Payments.***

Signature: _____ **Date:** _____
(Participant, Surviving Spouse, Beneficiary, Former Spouse or Alternate Payee)

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FORM D – 403(b) REQUIRED MINIMUM DISTRIBUTION ELECTION FORM

Note: Failure to withdraw your required minimum distribution amount by the applicable deadline could result in a 50% penalty tax. The penalty tax would be assessed on the difference between the amount that you were required to take and the amount that was actually distributed, if any.

PARTICIPANT INFORMATION

Participant Name: _____

Social Security Number: Date of Birth: Telephone Number:

DISTRIBUTION ELECTION - (RMD amounts are calculated on the entire account balance including all the underlying investments in your 403(b) account.)

Account Number:_____

Distribute my RMD from: ☐ ACROSS ALL FUNDS PROPORTIONATELY (rounding may occur)

☐ OR, DISTRIBUTE FROM FUND(S): _____ _____

CALCULATION METHOD

The Required Minimum Distribution ("RMD") amount is determined by Internal Revenue Service ("IRS") regulations. These regulations are explained in IRS Publication 590 - Individual Retirement Arrangements (IRAs), IRS Publication 560 - Retirement Plans for the Self Employed, and IRS Publication 575 - Pension and Annuity Income, which incorporate updated Life Expectancy Tables. Each RMD will be calculated based on the Uniform Lifetime Table, unless the following exception applies to you and you have indicated so by checking the box below.

☐ My sole primary beneficiary is my spouse who is more than 10 years younger than I am. I elect to calculate the RMD based on the life expectancy from the Joint and Last Survivor Table. Beneficiary's date of birth _____/_____/_____ (MM DD YY) Beneficiary's Name:_____

Before making any decision regarding your RMD, we urge you to consult your tax advisor or tax attorney.

DISTRIBUTION TYPE

If you are turning 70½ and this is your first required minimum distribution amount due it may be distributed either 1) in the year you turn 70½, or 2) by April 1st of the following year (prior year deferred RMD). You will also be required to remove any RMD amounts due for the current calendar year before December 31st of that year.

One-Time Distribution Options:

☐ One-Time Calculated Distribution Amount: Calculate and distribute **immediately** my ☐ **current year RMD** ☐ **prior year deferred RMD (if received between January and April 1st)** upon receipt of this form. I understand that I am responsible for contacting the Custodian to request any future year RMD amounts.

☐ One-Time Fixed Amount: Distribute **a one-time fixed amount** of $_____**immediately** upon receipt of this form. I understand that I am responsible for contacting the Custodian to request any future year RMD amounts.

Systematic Distribution Options: (In addition, please complete Systematic Distribution Cycle below.)

☐ Calculate and distribute my **current year RMD amount for this year and all subsequent years.** If you elect this option, we will continue to calculate and distribute your RMD amount for subsequent years until such time that you notify us to discontinue the payments.

☐ Calculate my **prior year deferred and current year RMD**: (this request must be received between January and April 1st). Please calculate and distribute immediately my prior year deferred required minimum distribution amount. We will also calculate and distribute your current year amount and all subsequent years based on your election in Systematic Distribution Cycle below until such time that you notify us to discontinue the payments.

☐ Distribute a **fixed amount** of $_____ **for this year and all subsequent years** until such time as I notify you to discontinue payments.

Systematic Distribution Cycle: Note: If a frequency is not selected, your RMD will be distributed annually.

Begin systematic distributions on: _____/_____/_____ (MM DD YY) Frequency (choose one): ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually

PAYMENT METHOD

Based on your selected distribution method, a Medallion Signature Guarantee Stamp may be required. Please refer to your prospectus or call us at the number provided for specific requirements.

☐ Mail check to my address of record currently on file.

☐ Purchase into my non-retirement account. ☐ Application attached with investment instructions (or) ☐ Existing Account Number _____

investing in the following Fund(s): _____

☐ Transfer funds electronically via ACH. ☐ Existing instructions on file ☐ New - ***Requires Medallion Signature Guarantee Stamp (attach a voided check).**

Name of Financial Institution:_____

Address:_____

Bank Routing Number:_____ Bank Account Number:_____

The receiving bank account must include your name in the account registration.

☐ Mail check to the bank address above for deposit.

Note: If a payment method is not selected, your RMD will be issued as a check payable to you and mailed to your address of record. Your payout method will remain in force until we receive notice from you requesting a change.

WITHHOLDING ELECTION

Federal Tax Withholding

Distributions from IRAs and qualified retirement plans that are not eligible for rollover are subject to federal income tax withholding unless you affirmatively elect not to have withholding apply to such payments. Generally, such distributions are subject to 10% withholding unless you elect to have an additional amount withheld or elect to have no withholding. You may make a withholding election by selecting one of the options below. Your election will remain in effect for any subsequent distributions unless you change or revoke it by providing us with a new election. Please select one of the following:

☐ Do **NOT** withhold federal income tax. ***This option is only available for accounts registered with an address in the United States.***

☐ Withhold **10%** federal income tax.

☐ Withhold _____% federal income tax (must be greater than 10%).

Federal income tax will be withheld from any distribution subject to the IRS withholding rules, if you do not complete and return an election form or if you have not previously elected out of withholding. Tax will be withheld on the gross amount of these payments even though you may be receiving amounts that are not subject to withholding because they are excluded from gross income. This withholding procedure may result in excess withholding on the payments. If you elect to have no federal taxes withheld from your distribution payments, or if you do not have enough federal income tax withheld from your distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

State Income Tax Withholding

Your state of residence will determine your state income tax withholding requirements, if any. Those states with mandatory withholding may require state income tax to be withheld from payments if federal taxes are withheld or may mandate a fixed amount regardless of your federal tax election. Voluntary states let individuals determine whether they want state taxes withheld. Some states have no income tax on retirement payments. You may wish to consult with a tax advisor or your state's tax authority for additional information on your state requirements.

☐ I elect **TO NOT** have state income tax withheld from my retirement account distributions (only for residents of states that do not require mandatory state tax withholding).

☐ I elect **TO** have the following dollar amount or percentage from my retirement account distribution withheld for state income taxes (for residents of states that allow voluntary state tax withholding). $ _____ or _____ %

CERTIFICATION SIGNATURE

I certify that I am the Participant authorized to make these elections and that all information provided is true and accurate. I further certify that the Custodian, the Sponsor, or the agent of either of them has given no tax or legal advice to me, and that all decisions regarding the elections made on this form are my own. The Custodian is hereby authorized and directed to distribute funds from my account in the manner requested. The Custodian may conclusively rely on this certification and authorization without further investigation or inquiry. I expressly assume responsibility for any adverse consequences which may arise from the election(s) and agree that the Custodian, the Sponsor, and their agents shall in no way be responsible, and shall be indemnified and held harmless, for any tax, legal or other consequences of the election(s) made on this form. **I have read and understand and agree to be legally bound by the terms of this form.**

Participant's Signature: **Date:**

*Medallion Signature Guarantee Stamp and Signature: An eligible guarantor is a domestic bank or trust company, securities broker/dealer, clearing agency or savings association that participates in a medallion program recognized by the Securities Transfer Agents Association. The three recognized medallion programs are the Securities Transfer Agents Medallion Program (known as STAMP), Stock Exchanges Medallion Program (SEMP), and the Medallion Signature Program (MSP). A notarization from a notary public is NOT an acceptable substitute for a signature guarantee.

Medallion Signature Guarantee Stamp

ROLLOVER EXPLANATION FOR QUALIFIED PLANS and 403(b) PLANS
SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your Employer's 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, please refer to Part II of this Rollover Explanation which serves as a supplemental notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

Your Right to Waive the 30-Day Notice Period

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

GENERAL INFORMATION ABOUT ROLLOVERS - (beneficiary options see page 4)

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.

Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

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 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 you roll over a distribution of S corporation stock to an IRA).

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

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

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

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

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self- employed status).

Does Federal income tax withholding apply to my distribution?

- *Mandatory Withholding.* If any portion of your payment can be rolled over and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full $10,000 as a taxable payment from the Plan. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.
- *Voluntary Withholding.* If any portion of your payment is taxable but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.
- *Sixty-Day Rollover Option.* If you receive a payment that can be rolled over, you can still decide to roll over all or part of it to an IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, *you must contribute the amount of the payment you received to an IRA or eligible employer plan within 60 days after you receive the payment*. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

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

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

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

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

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

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

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

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% 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% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences 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, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

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

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings

after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to*, Individual Retirement Arrangements (IRAs*)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs).*).

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

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

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

If you are not a plan participant

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

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If 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 rollover option you have is to do a direct rollover to an inherited IRA or a Qualified Rollover Contribution to an inherited Roth IRA. If you roll over the payment to an inherited Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. Payments from the inherited IRA or Roth 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 or inherited Roth 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 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); Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs); 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.