Reset Form

Distribution Request Form

TD Ameritrade Trust Company

c/o Rochester Service Center
150 State Street, Suite 200
Rochester, NY 14614
Fax: 585-697-7110
www.tdaretirementplan.com/myplan

Questions may be directed to:
Participant Services Center: 844-832-4997
Email: myretireplan@tdameritrade.com

1. INSTRUCTIONS

This distribution package includes the Distribution Request Form and a Special Tax Notice. Please read the Special Tax Notice in its entirety prior to reviewing and completing all sections of the Distribution Request Form. You may wish to consult your tax advisor before submitting a distribution request.

Completed forms must be returned to the employer sponsoring this retirement plan for execution of Section 13. The employer will then forward the form to TD Ameritrade Trust for processing. Distribution processing takes approximately 10 business days (plus delivery time) after receipt of an accurately completed and executed form. Please consult the employer regarding any fees which may apply to your distribution.

2. PLAN INFORMATION

Plan Name:	Employer Name:
WASHINGTON CENTRAL SUPERVISORY UNION 403(B) PLAN	WCS

3. PARTICIPANT INFORMATION

PLEASE NOTE: If the address you provide below is different than the address associated with your account (as reflected on the participant website), a hold will be placed on your distribution request and the employer will be contacted to verify your updated address. If you have had an address change, you must work with the employer to update your address and the employer will work with TD Ameritrade Trust Company to update our records. Once your address change has been completed, your distribution request can proceed. If you are a terminated participant and no longer in contact with the employer, please contact the Participant Services Center to obtain a Change of Contact Form.

Name:

Street Address:

City:	State:	ZIP Code:

Social Security Number:	Phone Number:
Date of Birth:	Email:

Marital Status: ☐ Married ☐ Unmarried

4. REASON FOR DISTRIBUTION *(PLEASE CHOOSE ONE)*

Separation from Active Employment:
Date of Separation: _____/_____/_____ *(only required for a separation event)*

- ☐ Termination of Employment - Participant is no longer employed with the Employer for reasons other than death, disability, or retirement
- ☐ Retirement at Normal Retirement Age - Participant must have reached the retirement age specified in the Plan Document
- ☐ Permanent Disability - Attach documentation of the disability from the attending physician to this form for the Employer's review/verification
- ☐ Death of Participant - Attach a certified copy of the death certificate to this form for the plan administrator
- ☐ Plan Termination - Employer terminating plan, select only if advised by Employer

In-Service Withdrawal *(as allowed by the Plan Document; refer to your Summary Plan Description (SPD))*:

- ☐ Retirement Age Withdrawal - Early/normal age requirements met while still employed
- ☐ Pre-Retirement Withdrawal - I have met the age and vesting requirements specified under the plan
- ☐ Required Minimum Distribution - Only applicable if age 70½ or older

TDRP 4476 Rev. 02/18

5. DEATH DISTRIBUTION

Completed by Beneficiary/Alternate Payee for Death event ONLY
Is the beneficiary or alternate payee a spouse or former spouse? : ☐ Yes ☐ No

Beneficiary or alternate payee information:

Name:	Social Security Number:	
Street Address:		
City:	State:	ZIP Code:
Email:	Phone Number:	
Date of Birth:	Date of Hire:	

6. REQUIRED MINIMUM DISTRIBUTION *(IF APPLICABLE, CHECK ONE)* **NOTE:** *RMDS ARE NOT ELIGIBLE FOR ROLLOVER*

☐ I wish to receive my Minimum Required Amount only. *(Complete Section 8)*

☐ I would like to take a disbursement for more than my required minimum amount. Amount requested: $__________________ *(Complete Section 8)*

☐ My spouse is more than 10 years younger than me, please calculate my disbursement amount based on the IRS Joint Life and Last Survivor Expectancy Table. *(Complete Section 8)*

Spouse's Name:	Spouse's Date of Birth:

7. DISTRIBUTION OPTIONS *(CHECK ONE)*

☐ I wish to take my entire account balance as a cash distribution. *(Complete Section 8)*

☐ I wish to roll my entire account balance into an IRA or another eligible employer plan. *(Complete Section 9)*

☐ I wish to take $ ___________ as a partial cash distribution and roll my remaining account balance into an IRA or another eligible employer plan. *(Complete Sections 8 and 9)*

☐ I wish to take $ ___________ as a partial cash distribution and leave the remaining amount in my retirement plan. I understand that subsequent distributions will require a new form. **Must be an option allowed under the plan.** *(Complete Section 8)*

8. DELIVERY INSTRUCTIONS FOR CASH DISTRIBUTION

Please select one option below. *If no option is selected, a check for your proceeds will be sent to your address via the United States Postal Service (USPS) regular mail.*

☐ Mail check to my address via USPS regular mail. *(no additional fees apply)*

☐ Mail check via Express Delivery.
(An additional fee of $30 will be deducted from your proceeds in addition to other applicable disbursement transaction fees.)
Please note:
- If your home address is a PO Box, delivery will default back to USPS regular mail.
- Monday-Friday delivery only, with no signature required.

☐ Deposit my cash proceeds into my taxable individual TD Ameritrade Account Number: _____________________.

9. ROLLOVER DELIVERY INSTRUCTIONS

Please select one of the options below.

A. ☐ **Rollover to my TD Ameritrade IRA** *(funds will be moved directly into TD Ameritrade account referenced below)*
(If you want to roll over to a TD Ameritrade IRA but do not yet have an account, please first call 800-454-9272 to establish one.)

Select all that apply:

☐ Non-Roth Money, Existing TD Ameritrade Account Number: ______________________________

☐ Roth Money, Existing TD Ameritrade Account Number: ______________________________

B. ☐ **Rollover to IRA or Qualified Retirement Plan *(Non-ROTH Money Only)***

Name of Trustee/Custodian:

Mailing Address of Trustee/Custodian:

Account Number:

Contact Person:	Contact's Phone Number:

C. ☐ **Rollover to ROTH IRA or Qualified Retirement Plan *(ROTH Money Only)***

Name of Trustee/Custodian:

Mailing Address of Trustee/Custodian:

Account Number:

Contact Person:	Contact's Phone Number:

10. INCOME TAX WITHHOLDING

Mandatory federal tax withholding of 20% applies to any cash disbursement that would otherwise be eligible for rollover. For a designated Roth account, there is no tax if you take money out after age 59½ and have had the account for at least five years. Federal tax withholding of 10% applies to distributions that are not eligible for rollover unless you elect to have no withholding apply. Please refer to the Special Tax Notice for more information.

☐ Instead of 20% federal tax withholding, withhold at _______%. *(May not be lower than 20% if the withdrawal is eligible to be rolled over)*

☐ Non-spousal death distribution - instead of 10% withholding, withhold at _______%. *(May be as low as 0%)*

☐ RMD - instead of 10% withholding, withhold at _______%. *(May be as low as 0%) (Note: Any withdrawal amount, which exceeds the RMD dollar amount, is subject to 20% mandatory federal tax withholding)*

State taxes may be applied depending on your state of residence. If you live in a state that mandates state income tax withholding, it will be withheld regardless of any selection below. No state income tax will be withheld for direct rollovers or transfers.

☐ I do not want to have state income tax withheld from my distribution.

☐ I want _______% in state income taxes withheld from my total taxable distribution.

11. CONSENT – PARTICIPANT/BENEFICIARY *(REQUIRED)*

I understand that a charge may be imposed to complete this distribution per the fee disclosures. I have read and understand the instructions for this form, including the Special Tax Notice. I understand that applicable federal tax withholding will be made and that mandatory state withholding may also apply. I have at least 30 days to consider my payment options. By returning this completed form before the end of the 30-day election period, I am waiving the remainder of the 30 days.

If, following the distribution, but no more than 180 days from the date I executed this Request for Distribution Form, the Plan Administrator determines I am eligible for an additional allocation of earnings, forfeitures, or employer contributions, the Plan Administrator will treat this consent to the distribution as applicable to the subsequent allocation and will make a subsequent distribution of such amounts in accordance with this election.

I understand if 180 days has passed since I signed this election form, I will be required to submit a new election form which will restart the time limit described above.

I understand that TD Ameritrade Trust is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, TD Ameritrade Trust cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC website at: treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx.

Printed Name of Participant/Beneficiary:

X Signature of Participant/Beneficiary: | Date: __ __–__ __–__ __ __ __

12. SPOUSAL CONSENT *(MAY BE REQUIRED)*

Spousal consent is NOT required for Unmarried participants.

I hereby consent to the foregoing election made by my spouse, to have benefits under the Plan paid in the form specified herein. I understand that in consenting to this distribution, I may be reducing or eliminating benefits that I may otherwise be legally entitled to at a later date and that this consent is irrevocable unless my spouse revokes the waiver before benefits begin.

Printed Name of Spouse:

X Spouse's Signature: | Date: __ __–__ __–__ __ __ __

Witness of Spouse's Signature *(by Notary Public)*

Statement of Notary

STATE OF ________________________)

COUNTY OF ______________________)

On this ___________ day of ________________________, 20______, before me, the undersigned notary public, personally appeared ____ *(Name of Spouse)*, proved to me through satisfactory evidence of identification, executed the above Consent, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public

Name: ____

Signature: ____ (SEAL)

My commission expires: ____

13. EMPLOYER/SPONSOR/PLAN ADMINISTRATOR AUTHORIZATION *(REQUIRED)*

Date of Hire: __ __–__ __–__ __ __ __	Date of Termination: __ __–__ __–__ __ __ __	
Date of last contribution: __ __–__ __–__ __ __ __	Hours worked this year:	Vested %:

By signing below, I hereby authorize the payment as requested (in accordance with the Plan's distribution procedures). If a disability payment, the participant has met the criteria for disability under the terms of the plan document and has provided proof of the disability. If a death payment, I confirm that proof of the participant's death has been provided and the participant's designated beneficiary is listed as stated on this form. I certify the information provided in this form is true and complete to the best of my knowledge. I understand the participant's funds will be forwarded per the instructions directed by the participant.

PLEASE NOTE: A handwritten signature by an authorized signer for the plan is required on this form. An electronic signature cannot be accepted and will result in processing delays.

Printed Name of Authorized Signer:

X Signature of Authorized Signer: | Date: __ __–__ __–__ __ __ __

Special Tax Notice (non-Roth Notice)

YOUR ROLLOVER OPTIONS FOR PAYMENTS *NOT* FROM A DESIGNATED ROTH ACCOUNT

You are receiving this notice because all or a portion of a payment you are receiving is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

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

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions *(unless an exception applies)*. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ *(or if an exception applies)*.

Where may I roll over the payment?

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

How do I do a rollover?

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

<u>If you do a direct rollover</u>, 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.

<u>If you do not do a direct rollover</u>, 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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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)*.

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

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

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 a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals $12,000, of which $2,000 is after-tax contributions. In this case, if you roll over $10,000 to an 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, *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

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than $100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxes. 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 five years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

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 five 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, *Individual Retirement Arrangements (IRAs)*.

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

If you are not a plan participant

<u>Payments after death of the participant.</u> 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 only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

<u>Payments under a qualified domestic relations order.</u> 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, *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.

Special Tax Notice (Roth Notice)

YOUR ROLLOVER OPTIONS FOR PAYMENTS FROM A DESIGNATED ROTH ACCOUNT

You are receiving this notice because all or a portion of a payment you are receiving 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, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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

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

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

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

Where may I roll over the payment?

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

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

How do I do a rollover?

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

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

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

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the earnings in your designated Roth account.

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy *(or the lives or joint life expectancy of you and your beneficiary)*
- Required minimum distributions after age 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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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% additional income tax on early distributions?

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

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy *(or the lives or joint life expectancy of you and your beneficiary)*
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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% additional income tax apply to early distributions from the IRA?

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

However, there are a few differences for payments from a Roth IRA, including:

- There is no special exception for payments after separation from service.
- The exception for qualified domestic relations orders (QDROs) does not apply *(although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse)*.
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- 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 after you have received unemployment compensation for 12 consecutive weeks *(or would have been eligible to receive unemployment compensation but for self-employed status)*.

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If 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, *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% 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.

If you are not a plan participant

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

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

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions *(unless an exception applies)*.

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 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 only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

<u>Payments under a qualified domestic relations order</u>. If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (*for example, you may roll over the payment as described in this notice)*.

If you are a nonresident alien

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

Other special rules

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

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

Unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than $1,000 will be directly rolled over to a Roth IRA chosen by the Plan administrator 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, *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.