

**PRIMERICA SHAREHOLDER SERVICES – 403(b) OWNER DECEASED, SPOUSE BENEFICIARY REQUESTS  
REDEMPTION/TRANSFER FORM**

To Whom It May Concern:

Thank you for your inquiry regarding information related to a death distribution/transfer. Please accept our sincere condolences for your loss.

In response to your request, we have included information regarding distribution of the account. Please refer to the chart below to determine the documents that will be required to process your requested transaction. The spouse beneficiary **is not required** to obtain a signature guarantee if they choose to provide all the required documentation listed in the chart. If the spouse beneficiary chooses to obtain a signature guarantee, please follow the documentation requirements in the chart which is based on the type of signature guarantee you can obtain and provide to Primerica Shareholder Services.

An original signature guarantee may be obtained from an officer of most financial institutions. A medallion signature guarantee is preferable. By obtaining a Medallion Signature Guarantee, you will not be required to furnish certain documentation. If the signature guarantee is NOT medallion, you will be required to furnish additional documentation and provide the name and phone number of the person providing the signature guarantee for verification purposes. **Please note that a notary public cannot provide a signature guarantee.** A signature guarantee is a warranty by the **grantor** that the signature is genuine, and that the person(s) signing is competent and authorized to sign.

**NOTE: If the named beneficiary is transferring the assets to a PSS account an MSG will not be required regardless of account value. If the named beneficiary is redeeming or transferring the account to another custodian an MSG will only be required if the account value is \$250,000 or more.**

A - Documents Required	B -To Redeem With Medallion Signature Guarantee	C – To Redeem With Non-Medallion Signature Guarantee or <u>No</u> Signature Guarantee	D –To Transfer to PSS account (Medallion Signature Guarantee Not Required)
Completed Distribution/Transfer Form signed by spouse beneficiary with optional signature guarantee	✓	✓	
Completed Distribution/Transfer Form signed by spouse beneficiary without a signature guarantee			✓
Completed Tax Withholding Election Form (if applicable)	✓	✓	
New Account Application SB-51 (must be obtained and completed by a PFS Representative), or if the transfer is to an existing account, you must provide existing account number			✓
Customer Identification Form (if new account is being established)			✓
Registry Certified copy of deceased shareholder's death certificate		✓	✓
Tax ID Certification	✓	✓	

Please note that, if required, the Registry Certified copy of the deceased shareholder's death certificate must be an original (copy is not acceptable). This document may be obtained from the Bureau of Vital Statistics in the state where the shareholder deceased.

If you have questions or need additional information, please contact our Customer Service Department at 1-800-544-5445. Customer Service Representatives are available to assist you, Monday through Friday between 8 a.m. and 8 p.m. ET.

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**(THIS PAGE RETAINED BY SPOUSE)**

REDEMPTION/TRANSFER AMOUNT – Please indicate the amount you wish to redeem/transfer from this account.

**All Shares** – To redeem all shares held in a specified fund position with this account number or you may choose all fund positions be redeemed. Unless otherwise specified, the account(s) will be closed and all options (i.e. Systematic Withdrawal Plan) will be discontinued.

MAIL CHECK – Please indicate how you wish the redemption check to be sent to you. We will usually process and mail your redemption check within two to three business days.

EXPRESS MAIL – Please indicate if you wish to receive the check via express mail service. A daytime telephone number is required for all express mail packages.

- By **one-day air express** and deduct the fee charge from this account – The check will be sent via next-day air express in accordance with the mailing instructions.

**Note:** The overnight express fee is generally \$20 for most deliveries in the United States, however, if you reside in a rural area in the U.S. the charge could be higher. If you reside in Alaska, Hawaii, or Puerto Rico, the overnight fee will be higher, and you could be charged as much as \$30.00. If you request overnight express to Guam, the fee charge could be as much as \$70 or more. **Your account will be charged accordingly.**

WIRE TRANSFER – A wire Transfer should take place within 48 to 72 hours of processing your request for a distribution of shares.

ACH TRANSFER – An Automated and Clearing House (ACH) transfer should place within 72 to 96 hours of processing your request for distribution of shares.

**Please complete the Wire / ACH Transfer Information and attach a voided check.**

- **Wire / ACH Transfer to the bank of record** – To have the distribution proceeds Wired / ACH to the same account the bank draft option are being deducted from.
- **Wire / ACH Transfer to a non-record bank** – To have the distribution proceeds sent to a bank account not on file with Primerica Shareholder Services. When processing a Wire / ACH Transfer to a non-record bank, you must complete the bank name, bank contact person, bank telephone number, bank routing / transit number, bank account name and number, and attach a voided check.

REASON FOR REDEMPTION – Please check the Death box and provide the deceased Shareholder's date of death.

EMPLOYER AUTHORIZED SIGNATURE - **Effective January 1, 2009 all distributions will require an Employer/TPA approval signature.**

SIGNATURE – Beneficiary must sign to distribute or transfer assets to a new or existing account. Please provide your signature in the space provided along with the date. Please read all information contained in this section before signing the form. Please provide a daytime phone number where you can be reached should we need additional information to process your request.

SIGNATURE GUARANTEE – An original signature guarantee may be obtained from an officer of most financial institutions. We are unable to accept a signature guarantee by a Notary Public. A signature guarantee is a warranty by the grantor that the signature is genuine, and that the person(s) signing is competent and authorized to sign. An original signature guarantee is needed.

**Federal and State Withholding Information – Page 4**

Please read the information on this page carefully.

- **Termination Fee** – A termination fee of up to \$30 will be imposed on redemptions for full liquidation of Premature Distributions (prior to age 59 ½) and all Transfer of Assets to other Custodians.
- **Custodial Fee** – There is an annual Custodial Fee of up to \$25 per social security number irrespective of the number of mutual fund accounts. This fee is deducted from a shareholder's account balance each year, unless pre-paid. If a redemption is requested during the year, the Custodian fee is deducted from the redemption proceeds.
- **CDSC FEE** – If your account is invested in Class B Shares, your redemption may be subject to a CDSC Fee, (Contingent Deferred Sales Charge). Please refer to your prospectus to determine the applicable CDSC percentage applicable to your Fund.

SUBSTITUTE FORM W-9/REQUEST FOR TAXPAYER IDENTIFICATION NUMBER – You must complete this section if you have requested to have the assets paid to you in the form of cash by redeeming the assets. Please provide your taxpayer identification number/social security number and sign in the space provided.

**PRIMERICA SHAREHOLDER SERVICES – 403(b) OWNER DECEASED, SPOUSE BENEFICIARY REQUESTS REDEMPTION/TRANSFER FORM**

Please mail completed form and required documents to Primerica Shareholder Services, PO Box, 534485, Pittsburgh, PA 15253 – 4485, or for express mail Primerica Shareholder Services, Attention: 534485, 500 Ross Street, 154-0520 Pittsburgh, PA 15262.

Account Number:

**I would like to: (choose one):**

- Redeem All Assets  
 Transfer Assets to New Traditional IRA Account (New Account Application Required)  
 Transfer assets to Existing Traditional IRA Account Number: \_\_\_\_\_

**Please mail the check to: (choose one)**

- The address of the beneficiary:  
 Name(s):   
 Address:   
  
 City:  State:  Zip:

**I would like to receive a check: (choose one)**

- 1<sup>st</sup> Class Mail  Next Day Air (Read note regarding fee on instruction page)

Daytime phone number required for Express Mail Service

- I would like a wire transfer: (choose one)  I would like to ACH transfer (select option here and below)  
 To the bank provided on the attached form  To an alternate bank account (original signature guarantee required)

**Reason for Redemption:** (please check box)  Death Date of Death: \_\_\_\_\_

**There is a mandatory 20% Federal Tax Withholding required for distributions.**

**EMPLOYER AUTHORIZATION**

I hereby affirm that the information given is true and correct, and I authorize and direct the custodian to make distributions according to the instructions provided on this form.

Employer/TPA Authorized Signature	Title	Date
By signing this form, I understand that (1) my employer may be required to execute any and all other documents, and to provide and/or share any and all other information, necessary to comply with section 403(b) of the Code and the final regulations promulgated there under and (2) there is a risk that if my employer and/or the plan is not in compliance with section 403(b) of the Code and the final regulations promulgated there under that the distribution being made by Primerica Shareholder Services (PSS) under this form may be considered disqualifying event by the Internal Revenue Service and reportable by PSS.		

*By signing this form, I acknowledge that I have read and accept the terms outlined in the 403B Redemption Disclosure Form and the 402(f) Notice. I do certify that I have received enough prior notification of my options to have my distribution paid directly to an IRA Custodian/Trustee and thus, avoid the 20% tax withholding.*

**SIGNATURE GUARANTEE STAMP:** I guarantee the signature of the applicant and to the best of my knowledge and belief the investor is of full age and legally competent. If this is a Medallion signature guarantee, I further affirm I have checked and verified certified copy of the deceased's death certificate.

Beneficiary Signature \_\_\_\_\_ Date \_\_\_\_\_

Beneficiary Date of Birth: \_\_\_\_/\_\_\_\_/\_\_\_\_

Please provide a daytime phone number where you can be reached should we need additional information: \_\_\_\_\_

Guarantor Name \_\_\_\_\_

Signature Guarantee Stamp

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Substitute Form W-9/Request for Taxpayer Identification Number

Account Number:

If you request to have the assets distributed in the form of a cash payment, you must provide your Tax Identification Number (SSN/TIN) below and complete by signing this section.

Tax Identification Number (SSN/TIN):

I certify under penalties of perjury (1) that the Social Security Number provided on this form is the correct Taxpayer Identification Number, (2) that I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding, (3) that I am a U.S. Person (including a U.S. resident alien) and \*(4) The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

\_\_\_\_\_  
Spouse Beneficiary Signature

\_\_\_\_\_  
Date

\*Not applicable as Primerica Shareholder Services is not a foreign financial institution.

WIRE / ACH TRANSFER – BANK ACCOUNT INFORMATION

Bank Name \_\_\_\_\_ Account Name \_\_\_\_\_

Contact Person \_\_\_\_\_ Phone # \_\_\_\_\_

Routing # \_\_\_\_\_ Account # \_\_\_\_\_

FEDERAL/STATE TAX WITHHOLDING INFORMATION

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

Due to the IRS mandatory 20% Federal Income Tax withholding requirement for 403(b) distributions, if you reside in a State that requires mandatory state withholding, we are required to withhold state income taxes also.

Each state has a specific formula for determining the amount of withholding. As such, we are unable to calculate the amount of state withholding that will apply until the redemption has been processed.

# PRIMERICA SHAREHOLDER SERVICES – 403(b) OWNER DECEASED, SPOUSE BENEFICIARY REQUESTS REDEMPTION/TRANSFER FORM

## 402(f) Notice: Rollover Explanation for Qualified Plans and 403(b)s Special Tax Notice Regarding Plan Payments (These pages retained by the Power of Attorney)

This notice explains how you can continue to defer federal income tax on your retirement savings in the Primerica Shareholder Services 403(b)(7) account (the "Plan") and contains important information you will need before you decide how to receive your Plan benefits.

This notice is provided to you by PFS Investments Inc. (Custodian) because all or part of the payment that you will soon receive from the Plan maybe eligible for rollover by you or your custodian to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; a section 403(b)(7) custodial account; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. 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.

If you have additional questions after reading this notice, you can contact your Custodian at 1-800-544-5445.

### SUMMARY

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

1. Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or
2. The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.
- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59 1/2, you also may have to pay an additional 10% tax.
- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, *you must find other money to replace the 20% of the taxable portion that was withheld*. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

### 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 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 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.

# PRIMERICA SHAREHOLDER SERVICES – 403(b) OWNER DECEASED, SPOUSE BENEFICIARY REQUESTS REDEMPTION/TRANSFER FORM

## SECTION I - PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

### After-Tax Contributions

If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

- a) Rollover into a Traditional IRA. You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your plan administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

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

- b) Rollover into an Employer Plan. You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can also roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. Beginning with direct rollovers made after 12/31/06 you may directly roll after-tax monies from a qualified plan under 401(a) to a 403(b) or vice versa. You CANNOT roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The following types of payments *cannot* be rolled over:

#### Payments spread over long periods

You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or a period measured by your life expectancy), or
- Your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- A period of ten years or more

#### Required Minimum Payments

Beginning when you reach age 73 retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own more than 5% of your employer.

#### Hardship Distributions

A hardship distribution cannot be rolled over.

#### ESOP Dividends

Cash dividends paid to you on employer stock held in an employee stock ownership plan cannot be rolled over.

#### Corrective Distributions

A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

### Loans Treated as Distributions

The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Section III below. Ask the Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment. The Plan Administrator of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.

# PRIMERICA SHAREHOLDER SERVICES – 403(b) OWNER DECEASED, SPOUSE BENEFICIARY REQUESTS REDEMPTION/TRANSFER FORM

## SECTION II - DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Section I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200.

### Direct Rollover to a Traditional IRA

You can open a traditional IRA to receive the Direct Rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to consider whether the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA later, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

### Direct Rollover to a Roth IRA

If your employer's plan permits Roth Elective Deferrals, when you have a distributable event under the Plan, you may receive the balance in your Roth Elective Deferral Account (taxation will be pro-rata) or you may directly roll over the balance to another employer Plan that will accept these monies or directly roll over into a Roth IRA. Since the distribution rules are complex, you should consult a tax advisor prior to receiving a distribution from your Roth Elective Deferral account.

### Direct Rollover to a Plan

If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the Plan Administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a direct rollover to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

### Direct Rollover of a Series of Payments

If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than ten years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

### Change in Tax Treatment Resulting from a DIRECT ROLLOVER

The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from this Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are under Age 59 ½" and "Special Tax Treatment if You Were Born before January 1, 1936."

## SECTION III - PAYMENT PAID TO YOU

If your payment can be rolled over (see Section I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

### Income Tax Withholdings:

**Mandatory Withholding.** If any portion of your payment can be rolled over under Section I above 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 under Section I above, 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, a portion of your payment will be withheld for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

## PRIMERICA SHAREHOLDER SERVICES – 403(b) OWNER DECEASED, SPOUSE BENEFICIARY REQUESTS REDEMPTION/TRANSFER FORM

**Sixty-Day Rollover Option.** If you receive a payment that can be rolled over under Section I above, you can still decide to roll over all or part of it to a traditional 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 a traditional 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 rollover up to 100% of your payment that can be rolled over under Section I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to rollover 100%, you must find other money within the 60 day period to contribute to the traditional 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 under Section I above 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 a traditional 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 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.)

**Additional 10% Tax If You Are Under Age 59 1/2.** If you receive a payment before you reach age 59 1/2 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to:

- Payments that are paid after you separate from service with your employer during or after the year you reach age 55.
- Payments that are paid because you retired due to disability, as defined under section 72(m)(7) IRC.
- Payments that are paid after you separate from service with your employer as equal (or almost equal) payments over your life or life expectancy (or you and your beneficiary's lives or life expectancies).
- Dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code Section 404(k).
- Payments that are paid directly to the government to satisfy a federal tax levy.
- Payments that are paid to an alternate payee under a qualified domestic relations order.
- Payments that do not exceed the amount of your deductible medical expenses.

See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless one of the exceptions applies. The exceptions to the additional 10% tax that apply to distributions from IRAs are different than those listed above.

**Special Tax Treatment If You Were Born before January 1, 1936.** If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Section I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. (see also "Employer Stock or Securities", below.) A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59 1/2 or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59 1/2 or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

**Ten-Year Averaging.** If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

**Capital Gain Treatment.** If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuities, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuities, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

**Employer Stock or Securities.** There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, 1) the payment must qualify as a lump sum distribution, as described above, except that you do not need five years of plan participation, or 2) the employer stock included in the payment must be attributable to "after-tax" employee contributions, if any.



## PRIMERICA SHAREHOLDER SERVICES – 403(b) OWNER DECEASED, SPOUSE BENEFICIARY REQUESTS REDEMPTION/TRANSFER FORM

Under this special rule, you may have the option of not paying tax on the “net unrealized appreciation” of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to a traditional IRA or another eligible employer plan, either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA or another eligible employer plan.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you. If you receive employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

**Repayment of Plan Loans.** If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or “offset”) your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

### SECTION IV - SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are “alternate payees.” You are an alternate payee if your interest in the Plan results from a “qualified domestic relations order”, which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Section I above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee other than a spouse or former spouse, you cannot choose a direct rollover to your own IRA, and you cannot roll over the payment yourself. For distributions made after 12/31/06, non-spouse beneficiaries or certain trusts may directly roll into an inherited IRA. Such distributions that are not directly rolled are subject to voluntary withholding described under Section III.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Section III above, even if you are younger than age 59 ½. Beginning with distributions made to non-spouse beneficiaries after 12/31/06, if the employer permits, such non-spouse may elect a direct rollover to an “inherited IRA”. Required minimum distributions made from the IRA will generally be based on the required minimum distribution provisions in the employer’s plan.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Section III above. If you receive a payment because of the employee’s death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether the employee had 5 years of participation in the Plan.

### SECTION V - HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS’s Internet Web Site at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORMS.