Primerica Shareholder Services

403(b)(7) Systematic Withdrawal Plan / Required Minimum Distribution Form

INSTRUCTIONS:

1. Complete the attached 403(b)(7) Systematic Withdrawal Plan / Required Minimum Distribution Form.
2. Sign the form
3. Mail or fax the completed, signed form to:

Please send to: Regular Mail	Overnight Mail
Primerica Shareholder Services P.O. Box 534485 Pittsburgh, PA 15253 – 4485	Primerica Shareholder Services Attention: 534485 500 Ross Street, 154-0520 Pittsburgh, PA 15262

Client Services: (800) 544-5445

Fax Services: **(833) 748-4712** *(See Fax Service)*

You may use this form to automatically sell shares from your account on a regular basis. You may designate either a set dollar amount or a set number of shares. If you originally purchased Class B Shares, a Contingent Deferred Sales Charge (CDSC) will be calculated in accordance with the CDSC schedule for your fund and deducted from the proceeds of your redemption. Please refer to the table below for specific fund minimums to establish a Systematic Withdrawal Plan.

Fax Service: If your request does not require an original signature guarantee or additional documentation, you may fax this request to (833) 748-4712.

Fund	Minimum SWP Payment Amount	Minimum Account Value to Establish SWP	Frequency
Legg Mason	$50	• $5,000	Monthly, Semi-Annually, Quarterly, or Annually
Invesco	$50	• $5,000	Monthly, Semi-Annually, Quarterly, or Annually *(Annually not available for Class B or C Shares)*
Amundi Pioneer	$50	• $10, 000	Monthly, Semi-Annually, Quarterly, or Annually
American Century	$50	• $5,000	Monthly, Semi-Annually, Quarterly, or Annually
Franklin Templeton	$50	• $5,000	Monthly, Semi-Annually, Quarterly, or Annually
Nuveen	$50	• $5,000	Monthly, Semi-Annually, Quarterly, or Annually

NOTE: You may use this form to establish a Systematic Withdrawal Plan for a 403b or Roth 403(B) account. It may also be used to take your Required Minimum Distribution (RMD) if you are age 70 ½ or older, or if you hold assets in an ABF (As Beneficiary For) 403b. In order to complete the SWP setup request you must complete the form by providing the type of SWP being requested, the account number, and all other information needed to process the Systematic Withdrawal Plan request.

NOTE: The Systematic Withdrawal Plan is not available for all funds. Please refer to the fund prospectus for the fund you selected to see if this option is available for your fund selection.

NOTE: For shareholders establishing a SWP on a Non-Retirement or IRA account please use the POL-16 form.

REQUIRED INFORMATION SECTION

Your client must include the account owner's name, account number, social security number, and date of birth.

SECTION 1 – FUND(S) TO WITHDRAW FROM AND AMOUNT TO BE WITHDRAWN

- Provide the NASDAQ symbol for the fund or the fund name(s)
- Provide the dollar amount to take from each fund.
- IF this SWP is for an RMD or ABF RMD where PFS is calculating the amount of the payment for you, or you have elected to have the amount automatically updated each year, you must provide the percent to withdraw from each fund. The percentage total must equal 100%.

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SECTION 2 – SWP / RMD REQUEST OPTIONS

- Select Add Option (New), Cancel Option, or Change Option
- Provide the month, day and year (M/D/YY) for the Systematic Withdrawal Plan to begin or change.

  NOTE: An ACH distribution may take up to 3 business days from the date you choose in order to reach your bank account. If the date you selected falls on a weekend or holiday, your redemption will be processed the following business day. Generally, redemption checks are mailed the next business day after the redemption is processed.

SECTION 3 – REDEMPTION FREQUENCY

- Select monthly, quarterly, semi-annually, or annually for the Systematic Withdrawal Plan option to occur.

SECTION 4 – PAYMENT METHOD

- Select a preferred payment method.
- Options: (1) Mail check to your address of record, (2) electronic funds transfer to your bank account of record (bank on file with Primerica Shareholder Services), (3) electronic funds transfer to an alternate bank account (must include a voided check and obtain an original signature guarantee), or (4) mail check to an alternate payee or address (must provide the alternate payee name, address, and obtain an original signature guarantee).

  NOTE: Electronic transfer is the fastest and easiest way to receive your monthly withdrawal.

SECTION 5 – REQUIRED MINIMUM DISTRIBUTION RMD

NOTE: For shareholders establishing a SWP on a non-retirement or IRA account, please use form POL-16.

- Select option that the SWP is for: an RMD for a shareholder age 70 ½ or older, OR RMD for an ABF 403b or Roth 403b

SECTION 5.1 - 403(B) ACCOUNT OWNER AGE 70 ½ OR OVER REQUIRED MINIMUM DISTRIBUTION

- Select an option under 5.1 if this is an RMD for a shareholder who is over 70 ½ or 5.2 if this is an RMD on a Beneficiary 403(b).
  - If age based RMD selected, choose an option for distribution: (1) RMD only (no taxes withheld), (2) RMD with more than 20% taxes withheld, or (3) RMD gross amount different from the RMD amount).
- Select check box if your spouse is more than 10 years younger and you would like to have your RMD calculated according to the IRS Joint Life Expectancy Table if applicable.
  - Provide the spouse name and date of birth.
- Select check box if you want PSS to automatically recalculate RMD SWP amount each year if applicable. (Done as a percentage of your RMD per fund)
- Optional features:
  - PSS automatically update my RMD SWP amount each year.
  - Delay the first RMD payment until April 1st of the year following the year in which you attain the age of 70 ½. You must provide the date of distribution and date of subsequent distribution.
  - Reinvest your RMD payment into your non-retirement account. You must provide your account number and the fund position(s).

NOTE: You may choose to invest your RMD amount into an existing non-retirement account, or contact a Primerica agent if you do not already have one established. Please note that the contributions will be invested into the same fund positions that the RMDs were withdrawn from. You will not pay a new sales charge, but the transfer of funds into a non-retirement account will be a taxable distribution. You may choose to exchange your SWP payment into multiple funds once the initial investment has occurred, and you may change the fund positions your proceeds are being taken from at any time after your SWP is established by contacting 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.

SECTION 5.2 - RMD FOR AN ABF (AS BENEFICIARY FOR) 403B INHERITED FROM A DECEASED IRA OWNER

- Provide the deceased owner's name, date of birth, date of death, and select the check box if you were married to the deceased owner at the time they passed away.
- Optional features:
  - PSS automatically update my RMD SWP amount each year
  - Reinvest your RMD payment into your non-retirement account. You must provide your account number.

NOTE: you may choose to invest your RMD amount into an existing non-retirement account. If you would like to invest your RMD amount into a new non-retirement account, please see a Primerica agent to establish a new account. The <u>only</u> option for moving from an ABF retirement plan account to a non-retirement account on a systematic basis is to invest into the same fund that is being withdrawn from within the ABF retirement plan account in the non-retirement plan account. You will not pay a new sales charge, but the transfer of funds into a non-retirement account will be a taxable distribution. You should discuss if different investment options would be appropriate with your PFS Agent who can assist to determine what changes may be appropriate. You may change to a different investment within your non-retirement account once the proceeds are invested there. Exchanges within the same fund family and share class generally may be done over the phone by contacting our Customer Service Department at 1-800-544-5445.

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SECTION 6 – DISABILITY

- Select check box if distribution is to a person for reason of total and permanent disability as defined in IRS Code 72(m)(7).
- Obtain a signature from your employer approving this distribution.

SECTION 7 – WITHHOLDING INSTRUCTIONS

- Read the important notice to shareholders under age 59 ½.
- Select the check box to indicate that you have attest to reading the notice.
- **Federal Tax Withholding** - A shareholder under age 59 ½ who elect to have a Systematic Withdrawal Plan (SWP) must be aware that all distributions received from their 403(b)(7) are generally subject to an additional 10% tax imposed by the IRS until they reach the age of 59 ½, and that the shareholder still wish to establish the SWP.
  - Select check box to withhold Federal Income Tax if applicable
  - Select check box for a gross distribution if you want to receive the dollar amount requested less any taxes withheld.
  - Select check box for a net distribution if you want to receive the dollar amount requested and have the taxes withheld from the remaining balance in your account.

*__Mandatory State Tax Withholding__ - A shareholder who elects to have federal income tax withheld and resides in a state that requires mandatory state withholding will also require PSS to withhold for state taxes.

SECTION 8 – SIGNATURE(S) AND SIGNATURE GUARANTEE

- Provide the signature(s) for the account owner(s).
- If required, you must provide an original signature guarantee. An original signature guarantee will be required from each account owner when:
  - A request is to send the proceeds of the SWP to a new or alternate bank that is not on file as a pay access bank account for your PSS account(s).
  - A request is received to send a SWP payment to an alternative address or payee.
  - The amount is over $100,000.
  - If the address of record has been changed within the past 30 days.

e-Delivery: If you are not currently enrolled in our e-Delivery option, please sign up today and "go green". If you decide to receive information about your account or statements electronically, you may log on to our website www.shareholder.primerica.com to enroll.

E-Notification: If you are not currently enrolled in our tax form E-Notification, please sign up today to receive all of your tax forms electronically. You may log on to our website www.shareholder.primerica.com to enroll.

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REQUIRED INFORMATION: **Please complete all information to avoid any delay in processing your request.**

Account Owner Name: ______________________ Account Number: ______________________

Social Security Number: ______________________ Date of Birth: ______________________

1 FUND(S) TO WITHDRAW FROM AND AMOUNT TO BE WITHDRAWN

If you hold other fund positions with the same account number, you must specify which fund the Systematic Withdrawal Plan should be established on.

NOTE: if you elected to have PSS automatically recalculate your RMD and update the amount each year, you must provide the percent to take from each fund and they must total 100%

Fund Name and Fund NASDAQ Symbol	Dollar Amount ($) to take from this fund	Percent (%) to take from each fund (Only required if you are asking PSS to recalculate your RMD automatically - must total 100%)

2 SWP / RMD REQUEST OPTIONS

Select one option

◯ Add Option (New)

Your Systematic Withdrawal Plan distribution will start on the day indicated below. If you have not selected the Electronic Transfer option, your check will usually be mailed within two to three business days from the date your distribution is processed.

Begin Distribution on (date): ______________________ (M/DD/YY)

◯ Cancel Option

◯ Change Option

Please note that if you have an auto-recalculation feature on your current SWP, the auto-recalculation WILL BE CANCELLED unless you check here:

☐ **ONLY** check this box if you wish to maintain the auto-recalculation feature. Be aware that this will cause the SWP amount to change when the next scheduled auto-recalculation takes place.

3 REDEMPTION FREQUENCY

Select one option

◯ Monthly ◯ Quarterly ◯ Semi-annually ◯ Annually

4 PAYMENT METHOD

Select one option *(Electronic transfer is the fastest and easiest way to receive your monthly withdrawal.)*

◯ By check to address of record ◯ By electronic transfer to bank account on file ◯ To an Alternate Bank or New Bank Account *(attach a voided check, see original signature guarantee)*[1] ◯ To alternate payee (*see original signature guarantee)*[1]*

* Name / Payee: ______________________ Full Address: ______________________

[1] If you choose to have the proceeds sent to an alternate bank or a new bank account that is not on file with PSS and do not include an original signature guarantee, your first payment may be sent as a check to your address of record due to the 30 day waiting period. After the 30 day period, your payment will be sent electronically as requested.

5 REASON FOR RMD

5.1 403(b) Account Owner Age 70 ½ or over Required Minimum Distribution

Select one option

◯ This is my Required Minimum Distribution (age based RMD)

◯ This is my RMD and my spouse is my sole primary beneficiary and is more than 10 years younger than me. I would like to use our joint life expectancy to calculate my RMD.

Spouse Name: ______________________ Spouse Date of Birth: ______________

Optional Features

☐ I want PSS to Automatically Update my RMD SWP amount each year. (This option requires the fund(s) and the percent of the RMD SWP to take from each fund in section 1. If you chose the joint life expectancy option above, please note that only the first RMD payment will be calculated using the joint life expectancy tables. You will need to call Shareholder Services prior to each RMD SWP firing if you would like the calculation method to use joint life expectancy each year.)

☐ You may delay your first RMD payment until April 1st of the year following the year in which you attain the age of 70 ½. If you delay your first payment until the next year, you must take both your first and second payment by December 31st of that year.

If you would like to choose this option, please tell us below the date of your first distribution and then the start date of your subsequent distribution(s).

Date of Distribution: ______________ Date of Subsequent Distribution: ______________

☐ I would like to have my RMD payment reinvested into my non-retirement account in the fund(s) as indicated below.

[2] Voluntary Account Number: ______________________

PLease Note: You will not pay a new sales charge, but the transfer of funds into a non-retirement account will be a taxable distribution.

[2] If you would like to have your RMD amount deposited into a new non-retirement account please see your Primerica agent to establish a new voluntary account.

5.2 RMD for an ABF (As Beneficiary For) 403(b) Inherited from a Deceased 403(b) Owner

Deceased Owner's Information

Decedent's Name: ______________________ Decedent's Date of Birth: ______________ Decedent's Date of Death: ______________

☐ I was married to the deceased owner on the date they passed away.

Optional Features

☐ I want PSS to Automatically Update my RMD SWP amount each year. (This option requires the fund(s) and the percent of the RMD SWP to take from each fund in section 1.)

☐ I would like to have my RMD payment reinvested into my non-retirement account. ➔ [3] Voluntary Account Number: ______________________

All payments from ABF RMD SWPs can only be invested into a non-retirement account in the same fund they are being redeemed from. You will not pay a new sales charge, but the transfer of funds into a non-retirement account will be a taxable distribution. You may exchange to a new fund in the same fund family and share class within your non-retirement account at any time by contacting 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.

[3] If you would like to have your RMD amount deposited into a new non-retirement account please see your Primerica agent to establish a new voluntary account.

6 DISABILITY

Select check box if applicable

☐ Disability - I certify that I meet the definition of disability as defined in IRS Code 72(m)(7).

Employer Approval Signature: ______________________________________

7 WITHHOLDING INSTRUCTIONS

PLEASE READ CAREFULLY
IMPORTANT NOTICE TO: Shareholders Under Age 59 ½

If you are **under age 59 ½** and taking a distribution from your retirement account, it is generally subject to an additional 10% tax imposed by the IRS.

☐ Please check the box to indicate that **you have read the above notice** and you wish to proceed with processing a Systematic Withdrawal Plan on your account.

Federal and State Tax Withholding

☐ Withhold Federal Income Tax of ________ % (minimum 20%)

☐ Check this box for gross distribution (you will receive the dollar amount requested less any taxes withheld)

☐ Check this box for net distribution (you will receive the dollar amount requested and have the taxes withheld from the remaining balance in your account)

8 SIGNATURE(S) AND SIGNATURE GUARANTEE

By signing this form, I understand that (i) 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 (ii) 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 sufficient prior notification of my options to have my distribution paid directly to a 403(b) Custodian/ Trustee and thus, avoid the 20% tax withholding.

X ______________________________ ______________
Account Owner's Signature **Date**

Use the space below for a Medallion Signature Guarantee or Signature Guarantee, if required. I/We guarantee the signature(s) of the applicant(s) and to the best of my knowledge and belief the investor is of full and legally competent.

(Signature Guarantee Stamp)	(Signature Guarantee Stamp)

X ______________________________ ______________
Authorized Officer of Financial Institution Signature **Date**

Name / Title of Guarantor: ______________________________

Phone Number of Guarantor: ____________________

ROLLOVER EXPLANATION FOR QUALIFIED PLANS, 403(b) PLANS, and GOVERNMENTAL 457(b) PLANS

PART I: SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS For Payments *Not* From a Designated Roth Account

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your Employer's Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, please refer to Part II of this Rollover Explanation which serves as a supplemental notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

Your Right to Waive the 30-Day Notice Period

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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

Where may I roll over the payment?

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

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

How do I do a rollover?

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

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.
If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds

to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- 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

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 after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Does Federal income tax withholding apply to my distribution?

- *Mandatory Withholding.* If any portion of your payment can be rolled over and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full $10,000 as a taxable payment from the Plan. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.

- *Voluntary Withholding.* If any portion of your payment is taxable but cannot be rolled over, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

- *Sixty-Day Rollover Option.* If you receive a payment that can be rolled over, you can still decide to roll over all or part of it to an IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, *you must contribute the amount of the payment you received to an IRA or eligible employer plan within 60 days after you receive the payment*. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

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

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

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

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

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

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

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

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, 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 taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). 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 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, 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

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

> **If you are a surviving spouse**. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.
>
> An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.
>
> If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.
>
> **If you are a surviving beneficiary other than a spouse**. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10%

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

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

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

Other special rules

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

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

Unless you elect otherwise, a mandatory cashout 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.

PART II: SUPPLEMENTAL SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS
For Payments *From* a Designated Roth Account

If the payment you are receiving is NOT from a designated Roth account under your Employer's Plan, this Part II of the Rollover Explanation does not apply to you and you can disregard the following section.

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your Employer's Plan (the "Plan") is eligible to be rolled over to 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.

Your Right to Waive the 30-Day Notice Period

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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

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

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

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

Where may I roll over the payment?

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

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).

- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).

- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?

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

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

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

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, 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

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 State/local 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

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

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

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 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.

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

If you are a nonresident alien

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

Other special rules

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

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

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