I.B.E.W. LOCAL 332 PENSION TRUST FUND

ADMINISTRATIVE OFFICES
P.O. BOX 5057, SAN JOSE, CA 95150-5057
Phone: (408) 288-4559 / Fax: (408) 288-4439

To Whom It May Concern:

Enclosed please find an application for the withdrawal of your Part B Funds. Please complete, sign and return the application to our office along with a copy of your birth certificate and your marriage license. In addition, we will need a copy of your Proof of Age for your spouse/beneficiary.

Also, you must meet one of the following requirements to withdraw from your Part B Funds.

1. You have retired out of your home local union, are receiving a Part A pension benefit, and you have attained age 55; please provide a letter to include your retirement effective date.
2. You have attained age 65 and are working no more than thirty-nine (39) hours per month in the electrical industry with the state of California; or
3. Have attained age 62, has ceased all employment in the electrical industry, and drawing Social Security benefits; please provide a copy of your Social Security award.

Please provide us with proof of one of the above requirements.

Also included is a Distribution/Rollover Election Form and a Special Notice Regarding Plan Payments. Please read the notice regarding the 20% Federal Income Tax carefully.

If you are married, please note that you must have your spouse's signature notarized on the Request for Part B application.

Please Note: Effective January 1, 2003 the Board of Trustee's have made it a mandatory requirement that all Retirement benefit payments are to be paid by electronic deposit.

Unless you plan to rollover your Part B funds, please complete the attached Electronic Funds Transfer form and return it with a voided check.

Upon completion, please return the forms to my attention. A self-addressed envelope is enclosed for your convenience.

If you have any questions, please do not hesitate to contact us at (408) 288-4559, or 1-800-541-8059 ext. 4559 (California Residents Only).

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REQUEST FOR PART B

INSTRUCTIONS

1. Please read each question carefully
2. Print all information
3. Be sure to submit a **Proof of Age** (Refer to Proof of Age Instructions Attached)
4. Be sure to **Sign and Date** the Application
5. Mail the completed Application in enclosed envelope to: **PO Box 5057 San Jose, CA 95150-5057**

PERSONAL DATA

1. Participant Name ______________________________
   (Last) (First) (Middle)
2. Address ______________________________
   Street City State Zip Code
3. SSN ______________________
4. Date of Birth ______________________
5. Telephone No. ______________________
6. Date you plan to retire: Month ____________ Year ________
7. Last date worked: Month ____________ Year ________
8. Beneficiary Name ______________________________
9. Beneficiary SSN ______________________
10. Date of Birth ______________________
11. Marital Status: ☐ Married ☐ Single ☐ Divorced ☐ Widowed

    If divorced, please provide copy of Divorce Decree with Property Settlement
12. Is any portion of your Pension Benefit payable to someone else under a Court Order: ☐ Yes ☐ No
13. I wish to apply for: ☐ Lump Sum ☐ IRA Rollover ☐ Partial Lump Sum
    ☐ Monthly Part B Payments in the Amount of $_________

Member Signature: ______________________________ Date: ______________

Spouse Signature: ______________________________ Date: ______________

State of ______________ County of ________________

Subscribed and sworn to (or affirmed) before me on this ______ day of ______________, 20___, by

____________________, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(SEAL)

____
Notary Public or other official's Signature

Or

____
Plan Representative's Signature

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14. **If you are applying for Disability Retirement, are you receiving Social Security Benefits?**

    ☐ Yes ☐ No (If "Yes", attach a photocopy of your Social Security Award)

15. List periods of time when you were in military service:

    ____

16. List periods of time when you were out of work because of illness:

    ____

17. List periods of time when you were employed in another industry: (Non Electrical)

    ____

18. List periods of time since October 1, 1987 when you worked in Non-Qualified Employment: (This means employment in the Electrical Trade or Craft for an employer who does not contribute to the Plan.)

    ____

19. Are you currently working for a Public Agency? (ie: City, County, School District) If yes, please provide date and proof of retirement.

    ____

IT IS ABSOLUTELY ESSENTIAL THAT YOU BE AS ACCURATE AS POSSIBLE IN YOUR REPLIES. INCORRECT OR INCOMPLETE INFORMATION MAY DELAY PAYMENT OF YOUR PENSION BENEFITS.

As a retiree of the I.B.E.W. Local #332 Pension Plan, I acknowledge that I will be bound by all the Rules and Regulations of the I.B.E.W. Local #332 Pension Plan and that I will personally endorse each Pension check for my own use or that it will be deposited directly to my bank account.

I realize that all information on this application will be used for determining my Pension Credits and Benefits, if any, and I hereby declare under perjury that the foregoing is correct to the best of my knowledge.

______________________________ Date

______________________________ Signature

I.B.E.W. Local 332 Pension Trust
Part B Application Procedures

This is being distributed so that you will know the length of time needed to process requests for Retirement Benefits. You should apply 60 days prior to your planned requested retirement date. Applying 90 days prior will ensure that you receive your first check on the first day of the month that your retirement will become effective.

Defined Contribution Benefit Plan (Part B)

A. The Application forms will be sent to the Member when forms are requested from the Plan office.

B. The Member must fully complete all of the forms and return them to the Plan office with all of the following documents:

   1. Proof of Age (member and spouse)
   2. Divorce Documents, if applicable including Qualified Domestic Relations Order
   3. Request for Distribution Form
   4. Mandatory Electronic Deposit Form (if monthly distribution is elected)

C. Once all fully completed forms and documents noted in B above are received, the Plan office will request the distribution from your Part B account.

   This process will take approximately 30 days from the date the Plan office receives all of the required forms and documents.

D. Part B benefits are payable as follows:

   1. Lump Sum
   2. Partial Lump Sum
   3. Monthly Installments Payment
   4. Rollover of Funds
   5. Purchase of Annuity

Please Note: All requests for Part B distribution must be received in the Plan office no later that the 15th (effective January 1, 2003) of the month in order to be generated on the 1st day of the next following month. If the request is received after the 15th of the month, there will be an additional month's delay.

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P.O. BOX 5057, SAN JOSE, CA 95150-5057
(408) 288-4559

INSTRUCTIONS CONCERNING SUBMISSION OF PROOFS OF AGE

The acceptable proofs of your age are listed below in two groups. Submit a photocopy of one of the proofs listed in Group I, if you have it, or can possible obtain it, since this class of proof of age is the more convincing.

If you cannot submit a proof in the Group I classification, submit photocopies of two (2) of the proofs listed in Group II. You are cautioned, however, that naturalization papers, United States Passports and Immigration papers my not be photocopied. If you are submitting any of these, you must send the original. It will be returned to you.

Additional proofs of age may be requested if the documents you submit do not constitute convincing proof of your age.

GROUP I

1. A birth certificate.
2. A baptismal certificate or a statement as to the date of birth shown by a church record, certified but the custodian of such record.
3. Notification of registration of birth in a public registry of vital statistics.
4. Certification of record of age by the U.S. Census Bureau.
5. Hospital birth record, certified by the custodian of such record.
6. Document showing approval of Social Security Pension.
7. A foreign church or government record.
8. A signed statement by the Physician or midwife who was in attendance at birth, as to the date of birth as shown on their records.
9. Naturalization record. (Photocopy not permitted: submit original)
10. Immigration papers (Photocopy not permitted: submit original)

GROUP II

11. Military record
12. Passport. (U.S. passports may not be photocopied: submit original)
13. School records, certified by the custodian of such record.
14. Vaccination record, certified by the custodian of such record.
15. An insurance policy which shows the age or date of birth.
16. Other evidence such as signed statements from persons who have knowledge of the date of birth.
17. Driver's License

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DISTRIBUTION/ROLLOVER ELECTION FORM

(Complete Section A, Elect and Complete Sections B and/or C as appropriate.)

A. **PARTICIPANT INFORMATION**

Participant's Name ____

Participant's Social Security Number ______________________________

B. **DIRECT ROLLOVER**

I direct that (elect one) my full eligible rollover distribution or $ _________ ($500 or more) of my eligible rollover distribution be distributed from the plan for a direct rollover.

ex. IRA trustees/custodian (Note: If you are under age 59 1/2 and rolling your Part B into an IRA, you must leave the funds in the IRA until you are at least 59 1/2 or you will be subject to a penalty of 10% in additional taxes. (Please consult a Tax Advisor for more information).

ex. Qualified Retirement Plan (Note: Plans are not required to accept rollovers. Check with the plan's sponsor before making this election).

Legal name, address, city, state, zip code & account number of plan: _________
____
____
____

C. **CASH DISTRIBUTION**

Monthly Distribution: I request a monthly distribution of $_________, effective _________.
Gross/Net (circle one)

Partial Lump Sum/Lump Sum: I request that my full distribution or $_________of my distribution to paid to me directly. Gross/Net (circle one)

I understand that any portion of the amount distributed to me that qualifies as an eligible rollover distribution will be subject to 20% federal withholding.

To receive your distribution by the first of the following month, your request must be received no later than the fifteenth of the current month.

________________________________ ________________________

Participant Signature **Date**
(See reverse side for spousal consent form)

SPOUSAL CONSENT FORM

I, ____________________, swear that I am the legal spouse of the Employee described above.
(Name)

I hereby consent to the Employee's election to receive our pension benefit in a form of a Direct Rollover or a Cash Distribution.

____
Spouse's Signature

____
Spouse's Social Security Number

(CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT CIVIL CODE 1189 MUST BE ATTACHED TO THIS FORM)

CALIFORNIA NOTARY ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of ______________

On ______________ before me, ____________________________ (insert name and title of

the officer), personally appeared ____________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ____________________________.   (Seal)

IBEW LOCAL 332 PENSION TRUST FUNDS
ELECTRONIC FUNDS TRANSFER (EFT) APPLICATION

Please attach voided check here.

RETIREE NAME: ______________________________

RETIREE SS#: ______________________________

ADDRESS: ______________________________

____

TELEPHONE #: ______________________________

I request that my pension benefit check be deposited electronically into:

☐ **Checking Account #** ______________________

☐ **Savings Account #** ______________________

I agree with and understand the following:

(A) This Direct Deposit request is to remain in effect until written notification is given to the plan office or the plan office no longer offers Direct Deposit via ***Electronic Funds Transfer.***

(B) It is my responsibility to provide any bank changes (account #, name, or address) to the plan office to assure timely receipt of my benefit.

(C) If my home address changes, I will advise the plan office of the changes in writing.

(D) There will be a transaction reversal for any amount deposited into my account that I am not entitled to receive.

Signature: ______________________________ **Date:** ____________________

For office use only:	( )	Add	( )	CA
	( )	Change	( )	CA/Nacha Screen
	( )	Delete		

Revised: 12Aug2004

Form **W-4P**

Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

OMB No. 1545-0074

2021

Future developments. For the latest information about any future developments related to Form W-4P, such as legislation enacted after it was published, go to *www.irs.gov/FormW4P*.

Purpose of form. Form W-4P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W-4P to tell payers the correct amount of federal income tax to withhold from your payment(s). You may also use Form W-4P to choose (a) not to have any federal income tax withheld from the payment (except for eligible rollover distributions or for payments to U.S. citizens to be delivered outside the United States or its possessions), or (b) to have an additional amount of tax withheld.

Your options depend on whether the payment is periodic, nonperiodic, or an eligible rollover distribution, as explained on pages 2 and 3. Your previously filed Form W-4P will remain in effect if you don't file a Form W-4P for 2021.

General Instructions

Section references are to the Internal Revenue Code.

Follow these instructions to determine the number of withholding allowances you should claim for pension or annuity payment withholding for 2021 and any additional amount of tax to have withheld. Complete the worksheet(s) using the taxable amount of the payments.

If you don't want any federal income tax withheld (see *Purpose of form*, earlier), you can skip the worksheets and go directly to the Form W-4P below.

Sign this form. Form W-4P is not valid unless you sign it.

You can also use the estimator at ***www.irs.gov/W4App*** to determine your tax withholding more accurately. Consider using this estimator if you have a more complicated tax situation, such as if you have more than one pension or annuity, a working spouse, or a large amount of income outside of your pensions. After your Form W-4P takes effect, you can also use this estimator to see how the amount of tax you're having withheld compares to your projected total tax for 2021. If you use the estimator, you don't need to complete any of the worksheets for Form W-4P.

Note that if you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return.

Filers with multiple pensions or more than one income. If you have more than one source of income subject to withholding (such as more than one pension or a pension and a job, or you're married filing jointly and your spouse is working), read all of the instructions, including the instructions for the Multiple Pensions/More-Than-One-Income Worksheet, before beginning.

Other income. If you have a large amount of income from other sources not subject to withholding (such as interest, dividends, or capital gains), consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you might owe additional tax. See Pub. 505, Tax Withholding and Estimated Tax, for more information. Get Form 1040-ES and Pub. 505 at *www.irs.gov/FormsPubs*. Or, you can use the Deductions, Adjustments, and Additional Income Worksheet on page 5 or the estimator at *www.irs.gov/W4App* to make sure you have enough tax withheld from your payments. If you have income from wages, see Pub. 505 or use the estimator at *www.irs.gov/W4App* to find out if you should adjust your withholding on Form W-4 or Form W-4P.

Note: Social security and railroad retirement payments may be includible in income. See Form W-4V, Voluntary Withholding Request, for information on voluntary withholding from these payments.

Withholding From Pensions and Annuities

Generally, federal income tax withholding applies to the taxable part of payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans; from individual retirement arrangements (IRAs); and from commercial annuities. The method and rate of withholding depend on (a) the kind of payment you receive; (b) whether the payments are to be delivered outside the United States or its possessions; and (c) whether the recipient is a nonresident alien individual, a nonresident alien beneficiary, or a foreign estate. Qualified distributions from a designated Roth account or Roth IRA are nontaxable and, therefore, not subject to withholding. See page 3 for special withholding rules that apply to payments to be delivered outside the United States and payments to foreign persons.

Separate here and give Form W-4P to the payer of your pension or annuity. Keep the worksheet(s) for your records.

Form **W-4P**

Department of the Treasury
Internal Revenue Service

Withholding Certificate for Pension or Annuity Payments

▶ **For Privacy Act and Paperwork Reduction Act Notice, see page 6.**

OMB No. 1545-0074

2021

Your first name and middle initial	Last name	**Your social security number**
Home address (number and street or rural route)		Claim or identification number (if any) of your pension or annuity contract
City or town, state, and ZIP code		

Complete the following applicable lines.

1 Check here if you **do not want any** federal income tax withheld from your pension or annuity. (Don't complete line 2 or 3.) ▶ ☐

2 Total number of allowances and marital status you're claiming for withholding from each **periodic** pension or annuity payment. (You may also designate an additional dollar amount on line 3.) . . . . ▶ (Enter number of allowances.)

Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate.

3 Additional amount, if any, you want withheld from each pension or annuity payment. (**Note:** For periodic payments, you can't enter an amount here without entering the number (including zero) of allowances on line 2.) . . . . . ▶ $

Your signature ▶ **Date ▶**

Employment Development Department
State of California

WITHHOLDING CERTIFICATE FOR PENSION OR ANNUITY PAYMENTS

Type or Print Your Full Name	Your Social Security Number
Home Address (Number and Street or Rural Route) City, State and ZIP Code	Claim or Identification Number (if any) of Your Pension or Annuity Contract

Complete the following applicable lines:

1. I elect not to have income tax withheld from my pension or annuity. (Do not complete lines 2, 3, or 4.) ☐
2. I want my withholding from each pension or annuity payment to be figured using the number of allowances and marital status shown below:
   a. Number of allowances you are claiming from the Regular Withholding Allowances Worksheet A 1 ______
   b. Number of allowances from the Estimated Deductions Worksheet B 2 ______
   ☐ SINGLE or MARRIED (with two or more incomes) ☐ MARRIED (one income) ☐ HEAD OF HOUSEHOLD
3. I want the following **additional** amount withheld from each pension or annuity payment. **Note:** You cannot enter an amount here without entering the number (including zero) of allowances on line 2 above $ ______
4. I want this designated amount withheld from each pension or annuity payment. (Do not complete lines 1, 2, or 3.) $ ______

Your Signature ______ Date ______

Cut Here

Give the top part of this form to the payer of your pension or annuity; keep the lower part for your records.

PURPOSE OF FORM: Unless you elect otherwise, state law requires that California Personal Income Tax (PIT) be withheld from payments of pensions and annuities. The marital status and the withholding allowance claimed on your federal Form W-4P can be used to figure your state tax withholding.

The DE 4P allows you to:

(1) Claim a different number of allowances for California PIT withholding than for federal income tax withholding.

(2) Elect not to have California PIT withheld from your periodic, or nonperiodic, pension or annuity payments.

(3) Elect to have California PIT withheld on periodic or nonperiodic payments based on:

(a) The number of allowances and marital status specified.

(b) A designated dollar amount.

(4) Change or revoke the DE 4P previously filed.

WITHHOLDING FROM PENSIONS AND ANNUITIES: Generally, withholding applies to payments made from pension, profit-sharing, stock bonus, annuity, and certain deferred compensation plans, from Individual Retirement Arrangements (IRA), and from commercial annuities. Withholding also applies to property other than cash distributed.

In compliance with federal law, California PIT is not to be withheld from pension recipients who reside outside of California.

Periodic and nonperiodic payments from all of the items above are treated as wages for the purpose of withholding.

A periodic payment is one that is includible in your income for tax purposes and that you receive in installments at regular intervals over a period of more than one full year from the starting date of the pension or annuity. The intervals can be annual, quarterly, monthly, etc. For example, if you receive a monthly pension or annuity payment and will continue to receive payments for more than a year, the payments are periodic. However, distributions from an IRA that are payable upon demand are treated as nonperiodic payments.

There are some kinds of periodic and nonperiodic payments for which you cannot use the DE 4P since they are already defined as wages subject to PIT withholding. Your payer should be able to tell you whether the DE 4P will apply.

Your certificate is usually effective 30 days after you file the form. The certificate stays in effect until you change or revoke it.

METHODS OF WITHHOLDING: The payer can use one of the following three methods:

(1) An amount determined by using the California withholding schedules. Payee completes lines 2 and 3 above.

(2) A dollar amount that you designate. Payee completes line 4 above.

(3) Ten percent of the amount of federal withholding computed pursuant to section 3405 of the **Internal Revenue Code** (law.cornell.edu/uscode/text/26). Payee completes line 4 above.

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ADMINISTRATIVE OFFICES
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PART B WITHDRAWALS

When you withdraw your Part B benefits, you are responsible for investing the money you receive. The Board of Trustees cannot provide you with financial advice, but suggests that you consider the following points:

Educate yourself about investments. You have been offered some investment education opportunities as a Part B Plan participant. More information is available in books and newspapers, in formal and informal classes, and on the Internet. You also could hire a financial professional (broker, financial planner, etc.) to give you individualized investment advice.

Investigate investment options. Remember that you have many, many investment options. For example, you could purchase individual stocks and/or bonds, or you could buy some of the hundreds of mutual funds available. You could make investment decisions yourself, or rely on a financial professional. Study the options available to you, and beware of high pressure salespeople peddling specific investment products.

IRA investment options. If you decide to roll your Part B money into an Individual Retirement Account (IRA), you may choose among IRA's offering just a few investment options, IRA's offering several mutual funds with different risk/return characteristics, and IRA's that allow you to invest in any mutual fund, or in individual stocks and bonds. When selecting an IRA, consider whether it offers the right mix of investment options to meet your needs.

Evaluate investment fees. It is easy to overpay for financial advice or services if you do not understand the fees. Ask about brokerage commissions, and about mutual fund loads and 12B-l fees (different kinds of sales charges on some mutual funds). Before buying a mutual fund, find out the funds expense ratio B a standardized number that shows the management fee, administrative outlays, 12B-l fees and other costs on a per share basis. The financial institution offering an IRA can provide a prospectus detailing sales fees for investment transactions, as well as fees and expenses for continued investments.

Financial professionals who advise you about investments also charge fees. Some financial professionals charge an hourly rate or a project-based fee for helping you establish a financial plan. Others are paid through commissions from your investments. Many financial professionals are primarily interested in selling financial products. Before hiring any financial professional, be sure you understand how he or she is compensated.

Financial professionals are not all created equal. Before you commit to investing with a particular professional, find out his or her credentials. How long has he or she been providing financial advice? Is he or she a CFP (Certified Financial Planner), CFA (Certified Financial Analyst), CIMA (Certified Investment Management Analyst), or CPA (Certified Public Accountant)? Do you like and trust the prospective financial professional? A financial professional will have access to highly confidential information, and will influence the direction of your financial future. Find someone whose goal is to help you identify your financial objectives and make appropriate investment decisions, not to sell you a specific product. Check references before making a commitment.

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SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice explains how you can continue to defer federal income tax on your retirement savings in the I.B.E.W. Local 332 Pension Plan Part B (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 the Board of Trustees (your "Plan Administrator") because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or your Plan Administrator 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 section403(a) annuity plan; a section 403(b) tax-sheltered annuity; 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. If this is the case, 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 plan Administrator at (408) 288-4559.

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.

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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, *or the Plan's early retirement age of* 55, you 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 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.

MORE INFORMATION

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.

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

a. 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 10 years or more.

b. Required Minimum Payments. Beginning when you reach age 70 1/2 or 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 5% or more of your employer.

The Plan Administrator of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.

II. <u>DIRECT ROLLOVER</u>

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 Part 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 Jet you choose a DIRECT ROLLOVER if your distributions for the year are less than $200.

a. <u>DIRECT ROLLOVER to a Traditional IRA</u>. 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 make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, 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).

b. <u>DIRECT ROLLOVER to a Plan</u>. 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 for 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.

c. <u>DIRECT ROLLOVER of a Series of Payments</u>. 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 10 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.

d. <u>Change in Tax Treatment Resulting from a DIRECT ROLLOVER</u>. 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 the Plan. For example, if you were born before January I, 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 59-1/2" and "Special Tax Treatment if You Were Born before January 1, 1936."

III. <u>PAYMENT PAID TO YOU</u>

If your payment can be rolled over (see Part 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 Withholding:

a. **Mandatory Withholding.** If any portion of your payment can be rolled over under Part 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.

b. **Voluntary Withholding.** If any portion of your payment is taxable but cannot be rolled over under Part 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, 10% 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.

c. **Sixty-Day Rollover Option.** If you receive a payment that can be rolled over under Part 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 roll over up to 100% of your payment that can be rolled over under Part I above, 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 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 Part 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 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.)

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 (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55 (i.e. the Plan's early retirement age), (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) 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.

Special Tax Treatment If You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) that can be rolled over under Part 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. 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 annuity, 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 annuity, 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.

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments 10 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 Part 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, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

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 Part III above, even if you are younger than age 59-1/2.

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 Part 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 or not the employee had 5 years of participation in the Plan.

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,* or by calling 1-800-TAX-FORMS.

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to an Individual Retirement Account ("IRA") or an employer plan. This notice is intended to help you decide whether to do such a rollover (and is patterned on an IRS Sample Notice).

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).

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 below.

A. GENERAL INFORMATION ABOUT ROLLOVERS

1. 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 (age 55 if you terminated your Covered Employment on or after age 55) and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally distributions made before age 59½ unless an exception applies). If, however, you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax (and premature state tax penalty) will not apply if those payments are made after you are age 59½ (or if an exception applies).

2. What types of retirement accounts and plans may accept my rollover?

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.

3. 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.

a. 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.

b. <u>If you do not do a direct rollover</u>, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to <u>withhold 20%</u> of the payment for federal income taxes (up to the amount of cash). 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 federal income tax (and potential State tax penalties, which is 2.5% in California) on early distributions if you are under age 59½ (unless an exception applies).

4. 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, <u>except</u>:

• 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 (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death;
• Hardship distributions;
• 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).

The Plan Office can tell you what portion of a payment is eligible for rollover.

5. 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 applies to the part of the distribution that you must include in income and 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 made due to certain disabilities;
• Payments after your death;
• Corrective distributions of contributions that exceed tax law limitations;
• Payments made directly to the government to satisfy a federal tax levy;

• Payments made under a qualified domestic relations order (QDRO);
• Payments of up to $5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
• Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year)
• 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; and
• Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters.

6. 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. There are, however, a few differences for payments from an IRA, including:

• The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation does not apply.
• 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.

Additional exceptions apply for payments from an IRA, including:

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

Will I owe State income taxes? Yes, most likely.

This IRS-mandated Notice, which is patterned on an IRS Sample Notice, is not intended to address state taxes if you are under age 59-1/2 (and age 55 if you are terminated on or after age 55). The following information is provided for your assistance. If you reside in California, you will owe taxes on a distribution, including the premature tax distribution penalty of 2.5%. Please note that state or local income tax is withheld only for those states where such withholding is mandatory. If you reside in a state that has a state income tax, and the state does not have a mandatory withholding rule, you will be responsible for any state income taxes due on the taxable portion of your distribution.

B. SPECIAL RULES AND OPTIONS

1. If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. The IRS has, however, 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs).*

2. 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. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies, as well as the state premature tax penalty, if applicable). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive Plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of Plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a Plan loan in good standing is offset because your Plan terminates, or because you sever from employment. If your Plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

3. 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.*

4. If you roll over your payment to a Roth IRA

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

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and *IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).* **You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.**

5. If you are not a Plan Participant

a. Payments after the Participant's death. 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. But, the 10% additional tax on early distributions does 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.

1. **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. If, however, 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 the Participant was born before July 1, 1949, or age 72 (if the Participant was born after June 30, 1949).

2. **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.

b. 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 and the same tax treatment that 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). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

6. 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.*

7. 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 federal income taxes. However, you may do a 60-day rollover. Unless you elect otherwise, a mandatory cashout of more than $1,000 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*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), of if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

C. FOR MORE INFORMATION

It is recommended that you consult with a professional tax advisor if you have questions before taking a payment from the Plan. You also may speak to the Plan Office (but the Plan Office does not provide tax advice). Also, you can find more detailed information on the federal tax treatment of payments from plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A *Contributions to Individual Retirement Arrangements (IRAs);* IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRSs);* 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.**