TRANSAMERICA®
Retirement Solutions

Distribution Request Form

READ THE ATTACHED IRS SPECIAL TAX NOTICE: IF YOUR PLAN ALLOWS FOR AN ANNUITY OPTION, READ THE WRITTEN EXPLANATION OF QUALIFIED JOINT AND 50% CONTINGENT SURVIVOR ANNUITY FORM OF BENEFIT BEFORE COMPLETING THIS FORM.

Please note: Do not use this form for:
(1) Death Benefit Claim
(2) Required Minimum Distribution
(3) Hardship Withdrawal Request

INSTRUCTIONS AND INFORMATION FOR COMPLETING THIS FORM

This Form Must Be Completed And Signed By You (And Your Spouse If You Are Married And Your Plan Allows For Annuities) And The Plan Administrator, Trustee Or An Authorized Signer. If any information is missing or incomplete, you may be required to complete a new form or provide additional information before the distribution can be processed.

PARTICIPANT INSTRUCTIONS

1. Complete Sections A-H. If you do not have a Roth 401(k) Account, skip Section D. If you are married and your plan allows for annuities, complete Section H, Spousal Consent.
2. Your signature is required in Section I. (*Please note: A signature guarantee is required for distributions of $150,000 or more.)*
3. Submit this form to your Employer for signature and processing. Do not mail this form directly to the Processing Center listed at the end of this form.

EMPLOYER INSTRUCTIONS

1. Complete Section J.
2. Your signature is required in Section J. (*Please note: A signature guarantee is required for distributions of $150,000 or more.)*
3. Submit this form to the Processing Center.

SECTION A. Participant Information — *Please print*

Company/Employer Name | Contract Number

Social Security No. (– –) | Date of Birth (mmddyyyy) (– –) | Date of Hire (mmddyyyy) (– –) | E-mail Address

Last Name | First Name/Middle Initial

Street Address/Apt. No. | Phone No. ( ) – | Ext. (if any)

City | State | Zip Code | Marital Status ☐ Married ☐ Not Married

MAIL DELIVERY OF DISTRIBUTIONS

If no address is provided in Section A, the address on file will be used to process this request. All checks will be sent via First Class Mail unless the Overnight Mail box is checked below.

☐ Send check overnight mail (UPS) and deduct $40.00 from the check for express charges. $80.00 will be deducted when two checks are required. (Example: One check sent to a rollover institution and one check to the participant). *Please note*: A street address must be provided.

Based on plan provisions, a distribution fee may be assessed at the time of processing. Please check with your Plan Administrator for any questions as to if a distribution fee may apply to your request.

SECTION B. Reason For Distribution Request — *Must be completed OR skip this section if your employer checked off "plan termination" in Section J*

Check the appropriate box below:

☐ Termination of employment
☐ Age 59 1/2 (if allowed by the Plan)
☐ In-service (if allowed by the Plan)
☐ Retirement
☐ Disability as determined by the Plan's fiduciary
☐ Withdrawal of After-Tax Contributions (if allowed by the Plan)
☐ Withdrawal of Rollover contributions (if allowed by the Plan)
☐ Payment to alternate payee under QDRO (Only Applies to Divorce Proceedings)

Alternate Payee's SSN # (– –) | Name

SECTION C. *Form of Payment For Traditional 401(k) Account - Only choose one of the three options*

☐ [1] **Option 1** (Rollover) **-** I am requesting a Direct Rollover of my Traditional 401(k) account.

If "Age 59 ½", "In-service" or "Withdrawal of Rollover Contributions" is selected in Section B, please indicate the amount to be rolled over $_____ (or leave blank if you wish to have your entire account distributed).

Direct Rollover to: (Select Only One)

_____ AN IRA OFFERED THROUGH Transamerica. (Minimum rollover amount is $20,000.) If you are interested in the Rollover IRA option through Transamerica, call (866) 691-0030 to learn more and to establish an account. An IRA account will number is required before the rollover can be processed.

_____ AN ELIGIBLE RETIREMENT PLAN (401(a), 401(k), 403(b), and Governmental 457)

_____ AN IRA

NEW ACCOUNT INFORMATION: MAILING ADDRESS:

IRA Account Number *(Required)* / Plan Name	Name of Trustee or Custodian for the New Plan or IRA
Make Check Payable To:	Address – Number & Street City State Zip Code

☐ [1] **Option 2** (Combination) **-** I am requesting a distribution of my entire Traditional 401(k) account to be paid partially to me and partially as a Direct Rollover. *I understand that the portion payable to me may be subject to 20% federal income tax withholding.*

Distribute my Traditional 401(k) account based on the following percentages:

_____% paid directly to me, and

_____% applied to the Direct Rollover Account indicated below.

The above two percentages must equal 100%

Direct Rollover to: (Select Only One)

_____ AN IRA OFFERED THROUGH Transamerica. (Minimum rollover amount is $20,000.) If you are interested in the Rollover IRA option through Transamerica, call (866) 691-0030 to learn more and to establish an account. An IRA account number is required before the rollover can be processed.

_____ AN ELIGIBLE RETIREMENT PLAN (401(a), 401(k), 403(b), and Governmental 457)

_____ AN IRA

NEW ACCOUNT INFORMATION: MAILING ADDRESS:

IRA Account Number *(Required)* / Plan Name	Name of Trustee or Custodian for the New Plan or IRA
Make Check Payable To:	Address – Number & Street City State Zip Code

☐ **Option 3 (Cash) -** I am requesting a distribution of my Traditional 401(k) account. I am not electing a Direct Rollover of any portion of the distribution. I understand the check will be made payable to me and that the amount payable to me may be subject to 20% federal income tax withholding.

If "Age 59 ½", "In-service" or "Withdrawal of Rollover Contributions" is selected in Section B, please indicate the amount to be paid directly to you $_____ (or leave blank if you wish to have your entire account distributed).

[1] DIRECT ROLLOVER

In a Direct Rollover, an eligible rollover distribution is paid from your retirement plan directly to an IRA or your new Employer's 401(a), 401(k), 403(b) or governmental 457 Plan. An IRS Form 1099-R will still be completed and submitted to the IRS; however, no federal or state income tax is withheld from amounts directly rolled over. The Direct Rollover check will be made payable to the IRA/plan trustee or custodian for the benefit of the participant or alternate payee unless otherwise indicated above.

SECTION D. *Form of Payment For A Roth 401(k) Account – Complete only if your plan allows for Roth Contributions. Only choose one of the three options*

☐ [1] **Option 1** (Rollover) **-** I am requesting a Direct Rollover of my Roth 401(k) account.

If "Age 59 ½", "In-service" or "Withdrawal of Rollover Contributions" is selected in Section B, please indicate the amount to be rolled over $_____ (or leave blank if you wish to have your entire account distributed).

Direct Rollover to: (Select Only One)

_____ A ROTH IRA OFFERED THROUGH Transamerica. (Minimum rollover amount is $20,000.) If you are interested in learning more about the Rollover IRA offered through Transamerica, call (866) 691-0030. An IRA account number is required before the rollover can be processed.

_____A DESIGNATED ROTH ACCOUNT (401(k) or 403(b)) OR ROTH IRA

NEW ACCOUNT INFORMATION: MAILING ADDRESS:

Roth IRA Account Number *(Required)* / Plan Name	Name of Trustee or Custodian for the New Roth 401(k) or Roth IRA
Make Check Payable To:	Address – Number & Street City State Zip Code

☐ [1] **Option 2** (Combination) **-** I am requesting a distribution of my entire Roth 401(k) account to be paid partially to me and partially as a Direct Rollover.

I understand that the portion payable to me may be subject to 20% federal income tax withholding.

Distribute my Roth 401(k) account based on the following percentages:

_____% paid directly to me, and

_____% applied to the Direct Rollover Account indicated below.

The above two percentages must equal 100%

Direct Rollover to: (Select Only One)

_____ A ROTH IRA OFFERED THROUGH Transamerica. (Minimum rollover amount is $20,000.) If you are interested in learning more about the Rollover IRA offered through Transamerica, call (866) 691-0030. An IRA account number is required before the rollover can be processed.

_____ A DESIGNATED ROTH ACCOUNT (401(k) or 403(b)) OR ROTH IRA

NEW ACCOUNT INFORMATION: MAILING ADDRESS:

IRA Account Number *(Required)* / Plan Name	Name of Trustee or Custodian for the New Plan or IRA
Make Check Payable To:	Address – Number & Street City State Zip Code

☐ **Option 3 (Cash) -** I am requesting a distribution of my Roth 401(k) account. I am not electing a Direct Rollover of any portion of the distribution. I understand the check will be made payable to me and that the amount payable to me may be subject to 20% federal income tax withholding.

If "Age 59 ½", "In-service" or "Withdrawal of Rollover Contributions" is selected in Section B, please indicate the amount to be paid directly to you $_____ (or leave blank if you wish to have your entire account distributed).

[1] DIRECT ROLLOVER

In a Direct Rollover, an eligible rollover distribution is paid from your retirement plan directly to an IRA or your new Employer's 401(a), 401(k), 403(b) or governmental 457 Plan. An IRS Form 1099-R will still be completed and submitted to the IRS; however, no federal or state income tax is withheld from amounts directly rolled over. The Direct Rollover check will be made payable to the IRA/plan trustee or custodian for the benefit of the participant or alternate payee unless otherwise indicated above.

For participants required to take a minimum distribution during the current year that was not satisfied, please note the following: Your required minimum distribution (RMD) for the current year will need to be completed and made payable to you prior to the processing of your direct rollover request.

SECTION E. Annuity Request *(Not applicable to vested account under $5000 or if your plan does not offer annuities)*

Skip this section if you made an election in Section C or D.

By selecting this option your entire account balance will be distributed in order to purchase the annuity

☐ Annuity: If the plan offers annuities as a form of benefit payment, I elect payment as a monthly annuity with payments to commence _____. Upon my death, my spouse's payments should be _____% (from 50% to 100%) of my payments. My spouse's date of birth is _____. Such annuity will be a Joint and Contingent Survivor Annuity if I am married and a Single Life Annuity if I am not married. I also understand that if I am married, my spouse need not consent to this election if I choose a Qualified Joint and Contingent Survivor Annuity ("QJSA").

SECTION F. Outstanding Loan Payoff Instructions — *Skip this section if you do not have an outstanding loan or are requesting an In-Service Withdrawal, Withdrawal of After Tax Contributions, 591/2 Withdrawal or a QDRO.*

If you have an outstanding loan please payoff the loan in full prior to submitting this Distribution Form. Submit a completed Distribution Form after you have submitted the loan payoff amount and the loan is paid in full.

Your outstanding loan balance will be defaulted and become taxable to you if the loan payoff is not processed prior to receiving a completed Distribution Form.

SECTION G. Income Tax Withholding

The income tax withholding requirements vary depending on whether or not the distribution requested is an eligible rollover distribution. Please see the attached Special Tax Notice for the definition of eligible rollover distribution and a detailed explanation of the federal income tax withholding rules. If you request a Direct Rollover, no federal income tax will be withheld from the amount directly rolled over.

FEDERAL INCOME TAX

Eligible Rollover Distributions:

If you request a Direct Rollover, no federal income tax will be withheld from the amount directly rolled over.

STATE INCOME TAX

If your address of record is within a mandatory withholding state, state taxes will be withheld from your distribution in accordance with the respective state rules. Other states allow an independent election and in these states, state tax will be withheld unless you elect otherwise. If your state does not allow withholding, no state tax can be withheld. Please consult a tax advisor or Transamerica if you have questions regarding state tax withholding.

☐ Do not withhold state income tax (ONLY IF INDEPENDENT ELECTION IS PERMITTED).

☐ Withhold state income tax:_____% (If your state requires a greater withholding percentage than what you have indicated, the mandatory state tax will apply).

SECTION H. Spousal Consent

Check with your Employer/Plan Administrator or Summary Plan Description to determine whether your plan is subject to spousal consent requirements. If spousal consent is required, complete this section. If your plan is not subject to spousal consent requirements, skip to Section J. Please note: You must have your spouse's signature notarized or have a plan representative witness your spouse's signature if your vested account balance is greater than $5,000 and your plan provides for joint and survivor annuities. However, if your vested account balance is less than $5,000 spousal consent is not required.

Spousal Consent

I, the undersigned spouse of the participant, have read the "Special Tax Notice Regarding Payments From Qualified Plans" provided to me and understand the effects of the waiver. I understand that federal law requires that the retirement benefit of my spouse must be paid under a Qualified Joint and Survivor Annuity Form as described in the attached "Special Tax Notice Regarding Payments From Qualified Plans," unless I consent otherwise in writing to another benefit form. I hereby consent to the waiver of the annuity and consent to the form of benefit elected by my spouse.

Signature of Participant's Spouse: _____ Date: _____

Statement of Plan Representative or Notary Public

The spouse whose signature I have witnessed is known to me and signed this form in my presence.

Plan Representative: _____ Date: _____

Notary Public Signature: _____ Date: _____

PLACE SEAL HERE (*if applicable)*

SECTION I. Participant Signature

Signature Guarantee – Place Medallion Stamp Below *(Required if distribution is $150,000 or more.)*

A request for a withdrawal of $150,000 or more requires that this completed form be stamped with a *medallion signature guarantee.* You can obtain a medallion signature guarantee from a financial institution such as a commercial bank, savings bank, credit union, or broker-dealer. A notary is NOT a medallion signature guarantee.

The original form, stamped with the medallion signature guarantee, must be presented to your Plan Administrator for approval.

Please note, for this purpose, the value of the withdrawal is based on the amount available (for full distributions and rollovers) on the date of processing and multiple withdrawal requests within a 14-day period that total $150,000 or more will be subject to the medallion signature guarantee requirements.

Participant's Distribution is $150,000 or more
Medallion Signature Guarantee – Place Medallion Stamp Below

PARTICIPANT SIGNATURE

My signature acknowledges that I have read, understand and agree to all the terms of this Distribution Request form, and affirm that all information that I have provided is true and correct. Further, I acknowledge that I have received the "Special Tax Notice Regarding Payments From Qualified Plans" and other required notices. The above information is true and correct to the best of my knowledge. I further understand that I may revoke this election at any time prior to the distribution taking place.

☞ _____ _____

Signature of Participant Date

PARTICIPANT: RETURN COMPLETED FORM TO YOUR PLAN ADMINISTRATOR FOR PROCESSING

SECTION J. For Completion by Plan Administrator, Trustee Or Authorized Signer Only

Plan Name

Contract Number	Sub ID/Division # *(if applicable)*	Participant's SSN #	Participant's Termination Date *(if applicable)*:
		– –	– –

The Participant is entitled to a vested benefit of _____% of company matching contributions.

The Participant is entitled to a vested benefit of _____% of profit sharing contributions.

Please refer to your Plan Document for the vesting schedule. If this information is not provided, the distribution will be processed with the data in Transamerica's recordkeeping system.

Is payment of this benefit subject to Plan Termination? ☐ No ☐ Yes

By signing below, I hereby authorize Transamerica to process the distribution described in this form. This request is in compliance with plan provisions.

If spousal consent is not provided, then in accordance with the terms and provisions of the plan and under the current law, spousal consent is not required for payment of the requested benefit.

☐ *If this request is for a disability distribution, I certify that the participant meets the requirements of Section 72(m)(7).*

Only submit this form after final contributions and loan repayments have been processed for termination distributions

Once this form has been completed with all of the necessary information and required signatures, please forward to the Processing Center for processing.

This form cannot be processed without the Plan Administrator, Trustee or Authorized Signer's signature.

Be sure to keep a photocopy for your records.

☞ _____ _____

By: Signature of MEP Plan Administrator, Trustee or Authorized Signer Date

(Please verify that all information in Section A is completed)

☞ _____ _____

Print Name of MEP Plan Administrator, Trustee or Authorized Signer Date

FOR PLAN ADMINISTRATOR USE ONLY - MAIL TO: Processing Center: 4333 Edgewood Road NE, Mail Drop 0001, Cedar Rapids, IA 52499 Fax #: 866-846 -2236

TRANSAMERICA
Retirement Solutions

Explanation of Distribution Options

This information only applies to defined contribution retirement plans that are not subject to the joint and survivor annuity requirements. The information provided in this Explanation is intended to be general in nature; not all plan provisions and options are available under your plan. To confirm the specific terms of your plan, please refer to your Summary Plan Description or contact your Plan Administrator.

General

As a plan participant, you may have the right to receive benefits when you reach your normal retirement age under the plan or terminate employment, provided your plan account has monies in it available for your withdrawal. If your plan allows in-service withdrawals for hardship or upon your attainment of age 59 1/2 or for any other reasons, you may also elect to receive benefit payments if you have satisfied the applicable plan requirements.

Please note, the plan may provide that if the cash value of your benefit is less than a specified amount (generally $5,000 or less, if any), your benefit will be paid to you in a single sum, or automatically rolled over to an IRA (if required by federal law) unless you elect otherwise.

Under the provisions of the plan, you may request that your benefit be paid under the optional form of benefit which is best suited to your particular needs and circumstances. The amount of monthly income payable will depend upon the form of payment elected, your age (and your designated beneficiary's age) as well as your vested account balance as of your retirement date, or, if earlier, date of this election.

Summary of Forms of Benefit (Availability of the following options will depend upon plan provisions)

Single Sum Payment: The vested balance in your account will be paid in a single sum.

Installment Payment (specific limitations may apply to this option under the terms of your plan): The vested balance in your account will be paid in monthly, quarterly, semi-annual or annual installment payments.

Partial Payment: The vested balance in your account will be paid in partial payments.

Fixed Period Certain Annuity - No "Life" Guarantee: A monthly income is payable to you beginning on your benefit starting date, in equal installments over a specified period of not less than 12 nor more than 240 months. If you die during the specified period elected, the income will be continued for the remainder of the specified period to your designated beneficiary. You may elect that such payment to your beneficiary is to be made in a single sum.

Straight Life Annuity - No "Years" Certain: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you die after your benefit starting date, there will be no death benefit payable. If you are married, you may elect this form of payment only with your spouse's consent.

Life Annuity with Period Certain: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you die during the period certain which begins on your benefit starting date, the monthly income will be continued to your designated beneficiary for the remainder of the period certain. The beneficiary may elect that such payment be made in a lump sum.

Joint and Survivor Annuity: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. Upon your death, your joint annuitant will receive a monthly income for life equal to, depending on the provisions of your plan, at least one-half (and not more than 100%) of the amount of monthly income you were receiving. If you are married, your joint annuitant must be your spouse unless your spouse consents to another annuitant on a form provided by the Plan Administrator.

Election of Annuity Benefit

If you are married (and your plan provides annuities as a form of benefit) and you wish to elect an annuity form of benefit, other than a Joint and Survivor Annuity with your spouse as your joint annuitant, your spouse must consent to your election, in writing, witnessed by your Plan Administrator or a Notary Public, during the 180 day period before your benefit starting date. If you are married and wish to designate a person other than your spouse as your joint annuitant, you must obtain your spouse's written consent to your beneficiary designation. (If established to the satisfaction of your Plan Administrator that your spouse cannot be located, spousal consent is not required.) Your spouse's consent must be made on a special form available from your Plan Administrator.

Comparison of Forms of Benefit

These examples compare benefits under forms of payment that may be available under the plan. These examples are based on specific assumptions and certain interest rates and mortality rates. The amounts shown are estimates, provided to illustrate the differences among the various options and are not intended to represent the actual amount payable to you. Upon your request, a more precise calculation will be provided. Your request should be sent to the address below if in writing. If you wish to call in your request, see the number provided below for you to call.

Assume a participant retiring at age 65 has a beneficiary of the same age and a $200,000 account balance.

Age 65 Commencement

Form of Benefit	Benefit to Participant	Benefit to Spouse/Beneficiary After Participant's Death
Qualified Joint and Survivor Annuity		
50%	$ 914.31 per month	$ 457.16 per month
66.7%	$ 890.56 per month	$ 593.71 per month
75%	$ 879.15 per month	$ 659.36 per month
100%	$ 846.58 per month	$ 846.58 per month
Straight Life Annuity	$ 993.76 per month	
Life Annuity with 5 Years Certain	$ 988.91 per month	
Life Annuity with 10 Years Certain	$ 974.01 per month	
Period Certain 5	$ 3,392.05 per month	
Period Certain 10 Years	$ 1,814.58 per month	

Any annuity elected will be provided by purchasing an annuity contract from an insurance company with your vested account balance under the plan. Dollar amounts shown do not reflect any required tax withholding, ongoing account expenses, or possible fees charged by the annuity provider.

Election Rights

You have at least 30 days to consider which form of benefit payment you want to elect. If, after receiving this Explanation, you affirmatively elect a distribution, your distribution may be made less than 30 days from the date this Explanation was given to you. If you elect an annuity form of payment:

- Your distribution election is revocable until the later of (a) your benefit starting date, or (b) prior to the expiration of the 7-day period that begins the date after you receive this Explanation;
- Your benefit starting date is a date after the date you received this Explanation;
- Distribution in accordance with your benefit election is paid more than 7 days after the date this Explanation was provided.

Consequences of Your Taking the Distribution Instead of Deferring Receipt of the Distribution

If you are eligible to receive a distribution from the plan, but also have the right to defer receipt of such distribution because, e.g., the value of your nonforfeitable account balance exceeds $5,000 (or such lower automatic cash-out limit set by the plan), your decision not to defer receipt of your distribution includes the following consequences if you do not directly (or indirectly within 60 days of receipt of the distribution) roll over your distribution to an IRA or another eligible retirement plan: (1) you will be taxed on the taxable amount of the distribution in the year the distribution is made and will no longer be able to defer the taxation of the distribution, (2) an IRS early distribution 10% penalty tax may apply to the taxable portion of your distribution if you receive the distribution either before attaining age 59 ½ or after separating from service before the year in which you attain age 55, and (3) you will lose the opportunity to defer the taxation of future earnings on your distribution.

Please note that some currently available investment options may not be generally available on similar terms outside the Plan. In addition, fees and expenses (including administrative or investment-related fees) outside the Plan may be different from fees and expenses that apply to the Plan's accounts. Please contact your financial advisor for additional information.

Your plan may include other provisions that might affect your decision whether to defer receipt of a distribution. You should review the plan's summary plan description before deciding to elect a distribution, and discuss this issue with your tax advisor. A copy of the plan's summary plan description is available from the Plan Administrator.

Right to Request Participant-Specific Information

You have the right to request specific information with respect to each form of benefit available to you under the plan, including a description of the financial effect of electing each form of benefit available to you under the plan. Written requests should be sent to your Plan Administrator.

YOUR ROLLOVER OPTIONS

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

Section I of 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).

Section II applies if you also receive a payment from a designated Roth account in the plan, in which case 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.

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.

Section I: GENERAL INFORMATION ABOUT ROLLOVERS FROM YOUR RETIREMENT PLAN (Not Including Any Designated Roth Account)

How can a rollover affect my taxes?

You will generally be taxed on a payment from the plan if you do not roll it over. However, rollovers to a designated Roth account within the plan or to a Roth IRA that are not from a designated Roth account are subject to taxation, as discussed below. If you are under age 59 1/2 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 59 1/2 (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.

You may also roll over the payment to a designated Roth account within the plan.

How do I do a rollover?

There are two ways to do a rollover. You can generally 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 59 1/2 (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 70 1/2 (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 59 1/2, you will have to pay the 10% additional income tax on early distributions for any payment from the plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59 1/2, 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).

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS For Payments From Your Retirement Account (Not Including Your Designated Roth Account)

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 a traditional IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

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

If you miss the 60-day rollover deadline:

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, *Individual Retirement Arrangements (IRAs).*

If your payment includes employer stock that you do not roll over:

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59 1/2, 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 a traditional 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 59 1/2 (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 59 1/2 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 59 1/2 (or after your death or disability, or as a qualified first-time home buyer 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 may roll over a payment from the plan to a designated Roth account within the plan, but you cannot roll over a payment from the plan to a designated Roth account in another employer plan.

If you roll over your payment to a designated Roth account within the plan:

If you roll over the payment to a designated Roth account in the plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). For payments from the plan in 2010 that are rolled over to a designated Roth account in the plan (and that are not distributed from that account until after 2011), the taxable amount of the rollover will be taxed half in 2011 and half in 2012, unless you elect to be taxed in 2010.

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

If you are not a plan participant:

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

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 1/2 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 70 1/2.

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 70 1/2.

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.

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 cash-out 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 cash-out 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,**{** HYPERLINK http://www.irs.gov/ **}**, or by calling 1-800-TAX-FORM.

Section II: FOR PAYMENTS FROM A DESIGNATED ROTH ACCOUNT

YOUR ROLLOVER OPTIONS

This section of the notice applies if you are receiving all or a portion of a payment from your employer's plan that 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.

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

GENERAL INFORMATION ABOUT ROLLOVERS FOR PAYMENTS FROM A DESIGNATED ROTH ACCOUNT 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 59 1/2, 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 59 1/2 (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 59 1/2 (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 70 1/2 (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 59 1/2, 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
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

If I do a rollover to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from a Roth IRA when you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- There is no special exception for payments after separation from service.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline:

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, *Individual Retirement Arrangements (IRAs)*.

If your payment includes employer stock that you do not roll over:

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59 1/2, 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 59 1/2 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 70 1/2.

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 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). 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities.*

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 & 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 cash-out 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 cash-out 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,**{** HYPERLINK http://www.irs.gov/ **}**, or by calling 1-800-TAX-FORM.

Qualified Joint and Survivor Annuity Benefit Explanation

This information only applies to defined contribution retirement plans subject to the joint and survivor annuity requirements. The information provided in this Explanation is intended to be general in nature; not all plan provisions and options are available under your plan. To confirm the specific terms of your plan, or to confirm if your plan is subject to these requirements, please refer to your Summary Plan Description or contact your Plan Sponsor.

General

As a plan participant, you may generally receive benefits when you reach your normal retirement age under the plan or terminate employment, provided your plan account has monies in it available for your withdrawal. However, some money purchase plans require an employee who terminates employment prior to the early/normal retirement age under the plan to wait until a certain age to withdraw his/her funds. If your plan allows in-service withdrawals for hardship or upon your attainment of age 59 1/2 or for any other reasons, you may also elect to receive benefit payments if you have satisfied the applicable plan requirements. If you are married on the date your benefit payments begin, you will be paid automatically in the form of a Qualified Joint and Survivor Annuity. This means that you will receive a monthly benefit for the rest of your life, and then after you die, your spouse, if living, will receive a monthly benefit for as long as he or she lives.

Your surviving spouse's monthly benefit must be at least half of (and not more than 100%) the monthly benefit you would have received. Receiving benefits in this form usually means that your monthly benefits will be less than what you would receive under other forms of benefit. The reason for this difference is that Qualified Joint and Survivor Annuity benefits are intended to be paid over two lifetimes (yours and your spouse's).

You may elect to receive benefits in a form other than a Qualified Joint and Survivor Annuity, but your spouse must consent to this election, in writing, witnessed by your Plan Sponsor or a Notary Public. If you wish to designate a person other than your spouse as your beneficiary, you must obtain your spouse's written consent to your beneficiary designation. If established to the satisfaction of your Plan Sponsor that your spouse cannot be located, spousal consent is not required. Generally, your benefit election may be made and/or cancelled only during the 180 days before your benefit starting date. If you waive the Qualified Joint and Survivor Annuity, then cancel such waiver prior to the date that benefit payments begin, your benefit will be paid in the form of a Qualified Joint and Survivor Annuity pursuant to the provisions of the plan. If you properly waive the Qualified Joint and Survivor Annuity benefit, you may elect one of the forms of benefit indicated below.

Please note, the plan may provide that if the cash value of your benefit is less than a specified amount (generally $5,000 or less, if any), your benefit will be paid to you in a single sum, or automatically rolled over to an IRA (if required by federal law).

If you are *not* married on the date your benefit payments begin, you will be paid automatically in the form of a Straight Life Annuity unless you elect a different form of benefit. Under a Straight Life Annuity, you are paid a monthly benefit for your lifetime with no benefit payable upon your death.

Upon written request to your Plan Sponsor, you may obtain further information, including the approximate amounts payable under the Qualified Joint and Survivor Annuity and other forms of benefit available under the plan.

Under the provisions of the plan, you may, with your spouse's consent if you are married, request that your benefit be paid under the optional form of benefit which is best suited to your particular needs and circumstances. The amount of monthly income payable will depend upon the form of payment elected, your age (and your designated beneficiary's age) as well as your vested account balance as of your retirement date, or, if earlier, date of this election.

Summary of Forms of Benefit

Qualified Joint and Survivor Annuity - Beneficiary is Surviving Spouse: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you are married on the date your benefit payments begin, upon your death your surviving spouse will, depending on the provisions of your Plan Sponsor's plan, receive a monthly income for life equal to at least one-half (and not more than 100%) of the amount of monthly income you were receiving.

Life Annuity with Period Certain: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you die during the period certain which begins on your benefit starting date, the monthly income will be continued to your designated beneficiary for the remainder of the period certain. The beneficiary may elect that such payment be made in a lump sum.

Straight Life Annuity - No Years Certain: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you die after your benefit starting date, there will be no death benefit payable. If you are not married on the date benefits are to begin, payment will be made in this form unless you elect another form of benefit.

Fixed Period Certain Annuity - No Life: A monthly income is payable to you beginning on your benefit starting date, in equal installments over a specified period of not less than 60 nor more than 240 months. If you die during the specified period elected, the income will be continued for the remainder of the specified period to your designated beneficiary. You may elect that such payment to your beneficiary is to be made in a single sum.

Contingent Annuity - Beneficiary is *not* Surviving Spouse: A lifetime monthly income is payable to you, beginning on your benefit starting date and continuing until the last payment due before your death. If you are survived by the contingent annuitant (beneficiary) you have named, a monthly income will be continued during the lifetime of the contingent annuitant. If you are married, you must obtain your spouse's consent to the designation of the contingent annuitant. The percentage of the reduced benefit which you may specify to be continued to the contingent annuitant may be either 100%, 75%, 66 2/3%, or 50%.

Single Sum Payment: Instead of lifetime monthly income payments, the vested balance in your account will be paid in a single sum.

Installment Payment (specific limitations may apply to this option under the terms of your plan): Instead of lifetime monthly income payments, the vested balance in your account will be paid in installment payments.

Partial Payment: Instead of lifetime monthly income payments, the vested balance in your account will be paid in partial payments.

Comparison of Forms of Benefit

These examples compare benefits under a Qualified Joint and Survivor Annuity and other forms of benefit that may be available under the plan. The examples are based on specific assumptions and certain interest rates and mortality rates. The amounts shown are estimates, provided to illustrate the differences among the various options and are not intended to represent the actual amount payable to you. Upon your request, a more precise calculation will be provided. Your request should be sent to the address below if in writing. If you wish to call in your request, see the number provided below for you to call.

Assume a participant retiring at age 65 has a spouse of the same age and a $200,000 account balance.

Age 65 Commencement

Form of Benefit	Benefit to Participant	Benefit to Spouse/Beneficiary After Participant's Death
Qualified Joint and Survivor Annuity		
50%	$ 914.31 per month	$ 457.16 per month
66.7%	$ 890.56 per month	$ 593.71 per month
75%	$ 879.15 per month	$ 659.36 per month
100%	$ 846.58 per month	$ 846.58 per month
Straight Life Annuity	$ 993.76 per month	
Life Annuity with 5 Years Certain	$ 988.91 per month	
Life Annuity with 10 Years Certain	$ 974.01 per month	
Period Certain 5	$ 3,392.05 per month	
Period Certain 10 Years	$ 1,814.58 per month	

Any annuity elected will be provided by purchasing an annuity contract from an insurance company with your vested account balance under the plan. Dollar amounts shown do not reflect any required tax withholding.

Note: Please refer to your Summary Plan Description or contact Transamerica (Retirement Analysis Department) at 800-755-5803 x 1203424 for more information regarding the annuity options that are available under the plan.

Joint and Survivor Annuity Waiver Rights

You have at least 30 days to consider whether to waive the Qualified Joint and Survivor Annuity and elect another form of benefit. If, after receiving this Explanation, you affirmatively elect a distribution and your spouse consents to that form (if necessary), your distribution may be made less than 30 days from the date this Explanation was given to you provided:

- Your distribution election is revocable until the later of (a) your benefit starting date, or (b) prior to the expiration of the 7-day period that begins the date after you receive this Explanation;
- Your benefit starting date is a date after the date you received this Explanation;
- Distribution in accordance with your benefit election is paid more than 7 days after the date this Explanation was provided.

Consequences of You Taking the Distribution Instead of Deferring Receipt of the Distribution

If you are eligible to receive a distribution from the plan, but also have the right to defer receipt of such distribution because, e.g., the value of your nonforfeitable account balance exceeds $5,000 (or such lower automatic cash-out limit set by the plan), your decision not to defer receipt of your distribution includes the following consequences: (1) if you do not make a rollover within 60 days of receipt of the payment, you will be taxed on the taxable amount of the distribution not rolled over, and (2) for participants who are under 59 1/2 and/or who separated from service prior to the year they attained 55 at the time they take the distribution, an IRS early distribution 10% penalty tax may apply to the taxable portion of such distribution.

Right to Request Participant-Specific Information

You have the right to request specific information with respect to each form of benefit available to you under the plan, including a description of the financial effect of electing each form of benefit available to you under the plan. Written requests should be sent to Transamerica, 4333 Edgewood Road NE, Cedar Rapids, IA 52499, (Attn: Retirement Analysis Department) or call 800-755-5803 x1203424.