AGE 70½ DISTRIBUTION FORM
Painting Industry Profit Sharing Annuity Plan

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Please complete the following information (type or print).

PARTICIPANT'S NAME	SOCIAL SECURITY NO.	DATE OF BIRTH OF PARTICIPANT

Under federal law, certain participants are required to begin receiving a minimum distribution from this Plan ("age 70½ distribution"). These participants are 5% owners and terminated participants who have attained age 70½. Distributions must generally commence or be made, as applicable, no later than the April 1 of the year following the year you attain age 70½ or terminate employment, if later. Subsequent minimum required distribution payments must be made by December 31st of each calendar year. If you are a 5% owner, special rules apply regarding the commencement date of distribution. In any event, please refer to the Plan's Summary Plan Description and your tax advisor for more details.

In satisfying this minimum distribution requirement, if your vested account exceeds $1,000, you have the right to receive a monthly annuity that is equivalent in value to your vested account. An annuity is a contract between you and an insurance company that provides monthly payments over your life and the life of your surviving spouse, if provided for in the annuity contract. If you elect an annuity option, it is your responsibility to work with the plan administrator to coordinate the purchase of the annuity through an insurance company.

The annuity options below are calculated for illustrative purposes, and are based on your vested account balance. As of __________(mm/dd/yy), your vested account balance is $______.

The annuity options shown below have been calculated to begin immediately. You also have the option to waive this annuity benefit and receive your minimum distribution under one of the optional forms of benefit described in the Optional Forms section below. If you choose an annuity form of payment, you will satisfy the minimum distribution rules.

NOTE: If you are married and your vested account exceeds $1,000, you are legally required to receive a joint and survivor annuity, unless you elect an optional form of benefit described below and your spouse consents to such form of benefit by signing the enclosed **SPOUSAL CONSENT FORM**. If your vested account is $1,000 or less, the annuity options are not available.

The calculation of your required minimum distribution is generally based on your vested account balance as of the December 31st of the year preceding the distribution and the life expectancy of you and your spouse. It is assumed that your spouse is not more than ten years younger than you and the calculation is made according to the Uniform Life Table under Q&A-2 of the IRS Treasury Regulation Section 1.401(a)(9)-9. However, if your sole designated beneficiary is your spouse who is more than ten years younger than you, your required minimum distribution will be calculated using the Joint and Last Survivor Table under Q&A-3 of the IRS Treasury Regulation Section 1.401(a)(9)-9, and you must complete the following: ☐ My spouse is more than ten years younger than I am and is the sole designated beneficiary for this account. My spouse's date of birth is ______ / _____ / ______.

I have read the *"Special Tax Notice Regarding Plan Payments,"* and I hereby make the following request for distribution:

I. MINIMUM DISTRIBUTION ELECTION (Complete this section if you elect to receive only the required minimum distribution. If you make this election, do <u>not</u> complete any other section EXCEPT the SIGNATURE section.)

☐ I elect to have the minimum amount required by federal law distributed to me. (**NOTE:** If you are married, you must attach a properly completed **SPOUSAL CONSENT FORM**.) I understand that the required minimum will be paid to me each year.

I further understand that I will be subject to the optional federal income tax withholding rules, and I must complete a **TAX WITHHOLDING ELECTION FORM**. In the event I am a 5% owner I understand that I must

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AGE 70½ DISTRIBUTION FORM
Painting Industry Profit Sharing Annuity Plan

Please complete the following information (type or print).

PARTICIPANT'S NAME	SOCIAL SECURITY NO.

request another **AGE 70½ DISTRIBUTION FORM** following my separation of service with the Company and I will be required to make a new payment election.

II. SINGLE LIFE/JOINT AND SURVIVOR ANNUITY (Complete if your vested account exceeds $1,000. If you waive the annuity option, you must complete the Optional Forms section below.)

<u>Unmarried Participant Only</u> – By choosing an option below, you are certifying that you are NOT legally married.

☐ *Single Life Annuity*. I elect to receive a monthly benefit of $_____* payable to me for as long as I live.

☐ I do not want a Single Life Annuity. Pay my vested account in accordance with the form elected under the Optional Forms section.

<u>Married Participant Only</u> – By choosing an option below, you are certifying that you ARE legally married.

☐ *Joint and 50% Survivor Annuity*. I elect to receive a Joint and 50% Survivor Annuity. I understand that I will receive an approximate monthly benefit of $_____* payable to me for as long as I live. If my spouse survives me, an approximate monthly benefit of $_____* will then be payable for as long as he/she lives.

☐ *Joint and 75% Survivor Annuity*. I elect to receive a Joint and 75% Survivor Annuity. I understand that I will receive an approximate monthly benefit of $_____* payable to me for as long as I live. If my spouse survives me, an approximate monthly benefit of $_____* will then be payable for as long as he/she lives.

*The benefit amounts have been calculated using the date of birth on your account and assuming your spouse has the same date of birth. If you want a revised annuity calculation based on your spouse's actual date of birth, contact John Hancock to request a new **AGE 70½ DISTRIBUTION FORM.**

☐ I do not want a Joint and Survivor Annuity. Pay my vested account in accordance with the form elected in the Optional Forms section. A properly completed **SPOUSAL CONSENT FORM** is also enclosed.

NOTE: The annuity amounts were calculated based upon your vested account balance stated in this **AGE 70½ DISTRIBUTION FORM**, the 1994 Group Annuity Reserving Table and the latest available GATT interest rate, your age and the assumed age of your spouse (if applicable). If you elect an annuity option, you should work with the plan administrator to coordinate the purchase of the annuity through an insurance company. Accordingly, it is important to note that the insurance company's rates may produce a higher or lower annuity than is illustrated here.

III. OPTIONAL FORMS (Complete if your vested account is $1,000 or less, or if you have declined the annuity options above.)

NOTE: The following election will apply to the payment of your entire vested account. If you have declined the annuity options above and you are married, your spouse must sign the enclosed **SPOUSAL CONSENT FORM.**

Elect One:

AGE 70½ DISTRIBUTION FORM
Painting Industry Profit Sharing Annuity Plan

*** ***

Please complete the following information (type or print).

PARTICIPANT'S NAME	SOCIAL SECURITY NO.

☐ **A.** **Payment of Required Minimum and Roll Over of Remainder to An Individual Retirement Account ("IRA") -** I elect to have my vested account distributed in cash and the minimum amount required by federal law paid to me. I also elect to have the remainder of my vested account payable to an IRA.

I understand that the minimum distribution paid directly to me will be subject to the optional federal income tax withholding rules, and I must complete a **TAX WITHHOLDING ELECTION FORM.**

☐ **B.** **Payment Paid to Me -** I elect to have my vested account paid to me. I understand that the required minimum distribution portion of my distribution is subject to optional federal income tax withholding, and I must complete a **TAX WITHHOLDING ELECTION FORM.** I also understand that the remainder of my distribution will be subject to mandatory 20% federal income tax withholding and any state tax withholding, if applicable.

☐ **C.** **Installments -** My vested account balance exceeds $1,000, and I elect to have my vested account distributed to me in (select one): [ ] monthly / [ ] annual installments over my life expectancy. I understand that I will be subject to the optional federal income tax withholding rules, and I must complete a **TAX WITHHOLDING ELECTION FORM.**

☐ **D.** **Installments -** My vested account balance exceeds $1,000, and I elect to have my vested account distributed to me in (select one): [ ] monthly / [ ] annual installments in the amount of $______________. I understand that if these installment payments are not sufficient to satisfy the required minimum distribution rules, I may receive an additional payment during the year. I understand that I may be subject to mandatory 20% federal income tax withholding and any state tax withholding, if applicable.

IV. PAYEE INFORMATION FOR IRA (Complete this section ONLY if you elected an option to roll over all or a portion of your eligible distribution to an IRA.) If you choose to roll over all or a portion of your eligible distribution to an IRA, a check in the designated amount will be mailed to you and it will be your responsibility to deliver it to the financial institution.

Generally, you have the option to roll over your distribution to an IRA or a Roth IRA. Refer to the enclosed *Special Tax Notice* regarding these rollover options and their tax consequences. You may also want to contact a financial advisor. If you want to roll over your distribution to a Roth IRA (Roth conversion), check the Roth IRA box below and fill in the IRA information. If you elect this option, you will be subject to taxes. However, no amount will be withheld from the rollover for payment of these taxes.

Payee Information: My rollover should be made payable to (check one and complete below):

☐ **IRA** ☐ **Roth IRA**

____

IRA Custodian (Financial Institution)

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Painting Industry Profit Sharing Annuity Plan

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Please complete the following information (type or print).

PARTICIPANT'S NAME	SOCIAL SECURITY NO.

V. SIGNATURE SECTION

I understand that once payment has commenced, my election made above is irrevocable.

I understand that failure to return this form by January 31 of the year following the year in which I attain age 70½ will be treated as an affirmative election to receive an age 70½ distribution in accordance with the provisions of the Plan.

I certify that there is no pending domestic relations order or court approved domestic relations order which has, or will, assign all or part of my vested account to my spouse, former spouse, child or other dependent. I understand that a false statement by me may result in legal damages for which I will be fully responsible.

I understand that I have the option to have this distribution directly deposited into my bank account by accessing mylife.jhrps.com to set up my banking information or to confirm existing banking information on file, if applicable. I understand that any distribution checks will be mailed to the address on my account as of the date the payment is processed. I also understand that the address of record is used for all tax reporting purposes.

Signature of Participant: ______________________ Date: ______________

TO BE COMPLETED BY PLAN ADMINISTRATOR

The request for the above Participant is: ☐ *APPROVED* ☐ *NOT APPROVED*

If approved, the Custodian is hereby authorized to process the request.

Plan Administrator: ______________________ *Date:* ______________

Date form received by Plan Administrator: ______________

Return this form to: Fund Office, Board of Trustees, Painting Industry Profit Sharing Annuity Plan, 8257 Dow Circle, Cleveland, OH 44136.

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SPOUSAL CONSENT FORM
Painting Industry Profit Sharing Annuity Plan

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NOTE: This form must be completed by the spouse of the Plan Participant unless the Participant elects 1) a Joint and Survivor Annuity or 2) has a vested account balance of $1,000 or less. If electing a Joint and Survivor Annuity, it must be with his/her spouse as beneficiary.

PARTICIPANT'S NAME	SOCIAL SECURITY NO.

SPOUSAL CONSENT ***(To be completed by the spouse of the Participant)***

I certify that I am the spouse of the Participant named above. I understand that I have the right to have the Plan pay my spouse's vested account in the form of a joint and survivor annuity (which will provide a lifetime annuity to my spouse with continuing payments to me for my lifetime, provided that I outlive my spouse); and, I hereby agree to give up that right. I understand that by signing this **SPOUSAL CONSENT FORM**, I may receive less money than I would have received under the joint and survivor annuity and that I may receive nothing after my spouse dies, depending on the payment form that my spouse chooses.

I understand that if I do not sign this **SPOUSAL CONSENT FORM**, then my spouse and I will receive payments under the Plan in the form of a joint and survivor annuity.

____
Spouse's Name (Print)

____ ______________________________
Signature of Spouse Date
(Must be signed and dated in presence of Notary)

WITNESSED BY ***(To be completed by Notary Public)***

NOTARY PUBLIC

State of __________, County of __________, ss.

On this, the _____ day of ____________, 20__, before me personally appeared _________________________ known (or satisfactorily proven) to me to be the person who executed the foregoing Spousal Certification and acknowledged that he or she executed the same as his or her free act and deed. In witness whereof, I hereunto set my hand and official seal.

____
Signature of Notary Public (SEAL)

My Commission Expires: ____/____/______

Return this form to: Fund Office, Board of Trustees, Painting Industry Profit Sharing Annuity Plan, 8257 Dow Circle, Cleveland, OH 44136.

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TAX WITHHOLDING ELECTION FORM
Painting Industry Profit Sharing Annuity Plan

PAYEE'S NAME	SOCIAL SECURITY NO.

NOTE: Do not complete this form if you elect to have your vested account paid to you in a lump sum, unless it is a required minimum distribution. Refer to your Election Form to determine whether this form is required.

Use this form to elect to have no federal income tax withheld from your distribution **(excluding eligible rollover distributions)** or to have additional amounts of tax withheld from your distribution. Whether or not you elect to have federal income tax withheld, you are liable for payment of federal income tax on the taxable portion of your distribution. If you elect to have no amount withheld from your distribution, or if you do not have enough federal income tax withheld, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient, particularly if you have other sources of income not subject to withholding (such as interest, dividends, taxable Social Security). If federal income tax is withheld from your distribution, state income tax, if applicable, will also be withheld and your distribution will be reduced by such amounts. If your state does not require mandatory state income tax withholding, you may elect to have state income tax withheld and your distribution will be reduced accordingly.

- **Periodic Payments -** If you do not return this form and you elect annuity or installment payments for a period of 10 or more years, federal and any applicable state income tax will be withheld from the taxable portion of your payments as if you were a married individual claiming three withholding allowances.
- **Nonperiodic Payments (for Required Minimum Distributions and IRA Account Holders) -** If you do not return this form and elect a lump sum distribution, 10% federal and any applicable state income tax will be withheld from the taxable portion of your distribution.

Your tax withholding election will remain in effect until you cancel it. You may change or cancel your election at any time by requesting a new form by contacting John Hancock. You may obtain additional instructions and worksheets to assist you in completing this form by requesting the official IRS Form W-4P at 1-800-TAX-FORM or on the Internet at www.irs.ustreas.gov. You may want to seek the advice of a professional tax advisor prior to completing this form.

I. ELECTION FOR WITHHOLDING (Check box A or box B)

☐ **A. I do not elect** to have federal or state income tax withheld from my distribution payments. (Skip Section II and sign Section III.)

☐ **B. I elect** to have federal and/or state income tax withheld from my distribution payments. (Complete Option A or B in Section II and sign Section III.)

II. TAX WITHHOLDING (Complete Option A if you want withholding based on marital status and allowances or Option B if you want withholding based on a flat dollar amount.)

☐ **A. WITHHOLDING BASED ON MARITAL STATUS AND ALLOWANCES -** Withhold federal and applicable state income tax based on my marital status and number of allowances as indicated below. I understand that my marital status and number of allowances will be used to determine the amount of federal and applicable state income tax withheld from my payment and that if the amount of my payment is such that no tax withholding is required based on my election, no withholding will occur unless I indicate an additional dollar amount to be withheld.

Marital Status: ☐ Single ☐ Married ☐ Married, but withhold at higher Single rate

Total number of allowances: ____________

Additional amount, if any, to be withheld for federal income tax: $________________

Flat dollar amount to be withheld for state income tax: $________________

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TAX WITHHOLDING ELECTION FORM
Painting Industry Profit Sharing Annuity Plan

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PAYEE'S NAME	SOCIAL SECURITY NO.

Note: If your state requires state income tax withholding and you elect federal withholding, the required state amount will be withheld unless you request a dollar amount that is greater than the amount required by law. If your state does not have state income tax, no state tax will be withheld.

☐ **B. WITHHOLDING BASED ON A FLAT DOLLAR AMOUNT -** Withhold federal and state income tax as indicated below.

Amount to be withheld for federal income tax: $____________________

Amount to be withheld for state income tax: $____________________

Note: If your state requires state income tax withholding and you elect federal withholding, the required state amount will be withheld unless you request a dollar amount that is greater than the amount required by law. If your state does not have state income tax, no state tax will be withheld.

III. SIGNATURE

I certify that the information provided on this form is correct.

Your Signature: ____ Date: ________________________

Return this form to: Fund Office, Board of Trustees, Painting Industry Profit Sharing Annuity Plan, 8257 Dow Circle, Cleveland, OH 44136.

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SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS ***
ROLLOVER OPTIONS ***

You are receiving this notice because all or a portion of a payment that you are eligible to receive from the Painting Industry Profit Sharing Annuity Plan (the "Plan") may be permitted to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

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

You may have the right to defer your distribution which is described in the "Right to Defer Distribution" section. 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.

RIGHT TO DEFER DISTRIBUTION

Depending on your vested account balance and the Plan provisions, you may be able to defer distribution of your account. If you are eligible to defer and elect to do so, you may continue to invest your account in the Plan's investment options to the extent permitted by the Plan. By deferring distribution you will have access to investment options that may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment-related fees) outside the Plan may be different than those that apply to your account under the Plan. Refer to the Plan's Summary Plan Description ("SPD") or contact John Hancock at mylife.jhrps.com or at 1.800.294.3575 to determine if the option to defer distribution is available to you. Your account will be subject to any restrictions and/or fees disclosed in the SPD, enrollment materials, and any required notices, copies of which you previously received. Additional copies as well as detailed Plan and investment information are available through John Hancock.

GENERAL INFORMATION ABOUT ROLLOVERS

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

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

If your Plan provides for a designated Roth account, it may also allow in-plan Roth rollovers of amounts not currently held in the designated Roth account. See the section below titled "If your Plan permits a rollover to a designated Roth account in the Plan" for more information.

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Required minimum distributions after age 70½ (or after death).
- Hardship distributions.
- ESOP dividends.
- Corrective distributions of contributions that exceed tax law limitations.
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends).
- Cost of life insurance paid by the Plan.
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?
If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:
- Payments made after you separate from service if you will be at least age 55 in the year of the separation.
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary).
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation.
- Payments made due to disability.
- Payments after your death.
- Payments of ESOP dividends.
- Corrective distributions of contributions that exceed tax law limitations.
- Cost of life insurance paid by the Plan.
- Payments made directly to the government to satisfy a federal tax levy.
- Payments made up under a qualified domestic relations order (QDRO).
- Payments up to the amount of your deductible medical expenses.
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days.
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?
If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:
- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?
This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions
After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, 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. In addition, special rules apply when you do a rollover, as described below.

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 at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth 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.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS
ROLLOVER 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. You may qualify for the self-certification procedure as outlined by the IRS at www.irs.gov/retirement-plans/retirement-plans-faqs-relating-to-waivers-of-the-60-day-rollover-requirement. Alternatively, you may file for a private letter ruling. 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).*

If your payment includes employer stock that you do not roll over
If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset
If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were born on or before January 1, 1936
If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income.*

If your payment is from a governmental section 457(b) plan
If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance
If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA
If you roll over the payment from the Plan 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).

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).*

If your Plan permits a rollover to a designated Roth account in the Plan
You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan 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).

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 are age 59½ (or after your death or disability) and after you have had a designated Roth account in the

Plan for at least 5 years. In applying this 5-year rule, you count from 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 you made the first contribution 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 of earnings after the rollover, including the 10% additional income 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 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 ½.

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.

If the Plan contains a mandatory cashout provision, unless you elect otherwise, a mandatory cashout (as described in the Plan's Summary Plan Description ("SPD")) 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. Please refer to the Plan's SPD to determine if the $5,000 threshold includes or excludes any rollover contributions made to your account.

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 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.

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-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.