

Qualified Plan Corrective Distribution of Excess Request



Axos Advisor Services Account Number

SECTION 1: Participant Information

First Name	Middle Initial	Last Name	Social Security Number
Date of Birth (mm/dd/yyyy)	Plan Name		
Address 1	Address 2		
City	State	Zip Code	

SECTION 2: Account Type

Select one: ☐ Qualified Plan ☐ Solo 401(k) ☐ Other: _____

Select one: ☐ Pre-tax ☐ Roth

SECTION 3: Reason for Distribution – Select One

This information must be completed for IRS reporting purposes.

- ☐ **Deferral Excess. Select the tax year for which the contribution was made:**
- ☐ Current Year
- ☐ Prior Year. *Note: this form is intended for requesting prior year excess deferral before the tax filing deadline without extensions*
- ☐ **Annual Additions Excess**
- ☐ **ADP/ACP Contribution Excess**

SECTION 4: Distribution Amount to Participant

IMPORTANT: Corrective distributions of excess are made only in cash. Contact your investment advisor representative ("Investment Advisor") to initiate any liquidations which may be required to fulfill this request. If your Investment Advisor needs to liquidate assets to generate proceeds to cover the requested amount of cash, the distribution will not be processed until the settlement date for the liquidations.

A. Distribution amount including earnings calculated by you or your tax advisor.

Gross amount to distribute (including any earnings or losses) \$ _____

What is the amount of associated earnings or losses? \$ _____

Does this amount above reflect ☐ Earnings or ☐ Losses?

B. Distribution from Roth account, if applicable

If this corrective distribution of excess request is from a Roth account, provide Roth basis \$ _____ and first year of Roth contribution (yyyy) _____

SECTION 5: Withholding

A. FEDERAL WITHHOLDING

Your withholding rate is determined by the type of payment you will receive. Please read the attached IRS "Form W-4R" for additional withholding requirements for your distribution.

- For nonperiodic payments that are not eligible rollover distributions the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% below. Generally, you cannot choose less than 10% for payments to be delivered outside the United States and its territories.

Even if you elect not to have tax withheld, you are liable for payment of income tax on the taxable portion of your distribution. You may also be subject to tax penalties under the estimated tax payment rules if your withholding or payments of estimated tax, if any, are not adequate.

Clearing, custody, and brokerage services are provided by Axos Clearing LLC, Member FINRA and SIPC. Axos Advisor Services is a division within Axos Clearing LLC that provides custody and related services to registered investment advisors. Bank products and services are offered by Axos Bank, member FDIC and an Equal Housing Lender. Axos Bank and Axos Clearing LLC are separate but affiliated companies and subsidiaries of Axos Financial, Inc. Trademarks belong to their respective owners.

Withholding Election. Complete the line below if you would like a rate of withholding that is different from the default withholding rate. By providing a withholding percentage below, signing and dating this distribution form, you acknowledge that you have read the attached IRS Form W-4R, including the complete instructions on pages 1 and 2 and the Marginal Rate Tables.

Note: The attached W-4R is for informational purposes only. You are not required to complete the IRS Form W-4R.
The withholding election for this distribution will not replace the withholding election on any of your existing or future distributions.

Enter the rate as a whole number (no decimals): _____ %

B. STATE WITHHOLDING – Select One: _____

IMPORTANT INFORMATION:

- **State Withholding Rules:** For a list of states available for withholding and their withholding rules, you may refer to the Axos Advisor Services Withholding Information document found online at www.axosadvisorservices.com. Axos Advisor Services provides this information as is and does not guarantee its accuracy. Please contact your Investment Advisor or tax advisor for more definitive information on state withholdings and withholding rules.
- **State Withholding Information**
 - If your state has mandatory withholding that allows you to opt out after certain conditions are met, please consult your tax advisor prior to checking the 'Do NOT withhold' box on the distribution form to ensure that you have met the conditions.
 - If your state has mandatory withholding requirements, state withholding (including withholding on Roth IRA distributions) may be processed even if the 'Do NOT withhold' election box is checked.

I declare my permanent state of residence is _____. (If blank, default is address on record)

☐ **Withhold** ☐ _____ % or \$ ☐ _____ of state income tax.

☐ **Do Not Withhold** state income tax from the distribution. (Not applicable to all states)

You are solely responsible for the withholding selections you make on this distribution form. You agree and acknowledge that you will pay all taxes, interest or penalties imposed by the relevant governmental authority as a result of the distributions you have elected to take.

SECTION 6: Delivery Method to Participant

IMPORTANT INFORMATION:

- **Delivery Method left blank:** If no delivery method is selected, Axos Advisor Services will default to sending a check to your address of record.
- **Transaction Fees:** Funds sent via check, via overnight check or wire may be subject to a fee, which would be deducted from your account balance. Your Investment Advisor can provide you with fee information regarding this transaction.

Select all that apply:

- ☐ **By electronic transfer:** Note: Allow 1-2 business days for delivery from the processed date for ACH, and the same or next business day for wires. If electronic transfer is selected and ACH or wire is not selected, we will default to ACH checking account. For an ACH, if checking or savings account is not selected, we will default to checking account.

Select One: ☐ By ACH ☐ By Wire (fee may apply)

Select One: ☐ Checking Account ☐ Savings Account

Select One: ☐ Voided check provided ☐ Bank on File ☐ Bank information provided below:

Bank Name

Name on Bank Account

ABA (Routing) Number

Bank Account Number

- ☐ **By check:** Note: allow 10 Business days for check delivery. If no payment or mailing instructions are provided, the address of the record will be used as default instructions. Check fee may apply.

Select if applicable:

- ☐ Send check via overnight delivery (not available for a P.O. Box address). Fee may apply.

Select One:

- ☐ By check to account owner at the address of record
☐ By check to account owner at the address below

Mailing Address

City

State

ZIP

Account Number: _____

☐ **Transfer to an eligible account at another Institution:** Move the requested cash specified in Section 4 into your account listed below.

_____ Name of Institution	_____ Account Title	_____ For the Benefit Of (FBO) if applicable	
_____ Account Number	_____ Account Type		
_____ Mailing Address	_____ City	_____ State	_____ ZIP

☐ **Transfer internally to an eligible Axos Advisor Services account:** Move the requested cash specified in Section 4 into your account listed below. Note: If the receiving account is not an existing account, include the appropriate Axos Advisor Services account application.

Select One: ☐ Existing Account ☐ New Account

_____ Account Number	_____ Account Title	_____ Account Type
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SECTION 7: Participant Signature

By signing this form, you certify that you are the proper party to receive or direct payment(s) from this qualified plan account and that all information provided is true and accurate. You further certify that no tax advice has been given by Axos Advisor Services. All decisions regarding this withdrawal are your own. You are solely responsible for the withholding selection you make on this distribution request form and expressly assume responsibility of any adverse consequences which may arise from the withdrawal, including any taxes, interest and penalties that may be imposed by the relevant government authority as a result of the withdrawal. You further agree that Axos Advisor Services shall in no way be held responsible for any adverse consequences which may arise from the information you provide in this form and the selections you make in this form.

You acknowledge that the origination of ACH transactions to your account must comply with applicable law, and that in the event an ACH entry is incorrect, Axos Advisor Services reserves the right to submit correcting entries.

By signing, you agree and acknowledge that you will pay all taxes, interest or penalties imposed by the relevant governmental authority as a result of the distributions you have elected to take. You agree to indemnify and hold harmless Axos Advisor Services, its successors and assigns, its affiliates, and its and their directors, officers, employees, and agents (each an "Indemnified Party") from and against any losses, claims, liabilities, damages, actions, charges, costs, and expenses including attorneys' fees, and to pay any Indemnified Party's defense costs and expenses resulting from, in connection with, or incident to, your instructions, authorizations, representations, selections, or other statements or information provided herein.

You hereby request payment from the qualified plan designated above in the manner indicated. In addition, if you are eligible to waive the notice requirements under Sections 402(f), 417 and 411(a)(11) of the Internal Revenue Code, you hereby waive the 30-day notice period.

You certify that all information provided by you is true and accurate, and you agree to submit additional information if requested by the plan administrator (employer), financial organization (prototype sponsor), or any plan fiduciary. No tax advice has been given by either the plan administrator or prototype sponsor. You expressly assume the responsibility for any adverse consequences which may arise from this distribution and you agree that the plan administrator, prototype sponsor, and any plan fiduciary shall in no way be responsible for those consequences.

x

_____ Participant Signature	_____ Print Name	_____ Date
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SECTION 8: Authorized Plan Representative

You certify that you are authorized to act individually on behalf of the plan trustee, recordkeeper, third-party administration, or plan administrator, with respect to providing the required affirmation. You hereby approve the requested distribution based on the materials received from the participant, plan trustee, or plan administrator from this qualified plan account, including a divorce transfer, if applicable. You agree to provide any documentation relating to this transaction, including documentation supporting the statements made herein. You agree and acknowledge that Axos Advisor Services is not a trustee or fiduciary, and you agree to indemnify and hold harmless Axos Advisor Service, its successors and assigns, its affiliates, and its and their directors, officers, employees, and agents (each an "Indemnified Party") from and against any losses, claims, liabilities, damages, actions, charges, costs, and expenses including attorney fees, and to pay any Indemnified Party's defense costs and expenses resulting or arising from, in connection with, or incident to, your instructions, authorizations, representations, selections, or other statements or information provided herein.

x

_____ Authorized Plan Representative Signature	_____ Print Name	_____ Date
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END OF FORM

GENERAL INSTRUCTIONS

Use these instructions to complete the Qualified Plan Corrective Distribution of Excess Request form made available by Axos Advisor Service.

Purpose of this form.

This form is required to request a corrective distribution of excess. Note: Only one set of instructions should be submitted on this form.

IMPORTANT: Applicable distribution fees will be deducted from your account balance. This may include check, overnight mailing, and wire fees. Note: For information on distribution fees for this request, contact your Investment Advisor.

- **You must complete all required fields, unless designated as 'if applicable' or a similar designation.** 'If applicable' or a similar designation indicates the section or entry is required only if certain conditions apply. These conditions are outlined in detail in these instructions.
- **To expedite processing and to avoid requests for additional information, provide all required additional forms and documentation as detailed in these instructions.**
- **Print or type all entries.** Print clearly in all CAPITAL LETTERS to complete this form. To type entries, use the fillable PDFs available through Liberty and at <https://www.axosadvisorservices.com/Forms-and-Applications/>.

SECTION 1: Participant Information

Enter the participant information and plan name for this account exactly as it appears on your Axos Advisor Services account. For new accounts, enter the account name exactly as it is written on the application form.

SECTION 2: Account Type

Check the box indicating the retirement account type and select the source of the funds held in the account – pre-tax or Roth (after-tax basis).

SECTION 3: Reason for Distribution – Select One

This information is required for IRS reporting purposes. It is your responsibility to pay all taxes, interest and penalties that may be imposed by the relevant governmental authority. Please consult your tax advisor or the IRS to determine the requirements for any of the listed distribution types. In most situations, Axos Advisor Services is required to issue a Form 1099-R for distributions from your qualified plan account. For additional information, consult your tax advisor or the IRS.

Select the type of excess you are requesting. If you checked deferral excess box, provide the year for which deferral was intended. This form is intended for requesting prior year deferral excess before tax filing deadline without extensions.

SECTION 4: Distribution Amount to Participant

IMPORTANT: Corrective distributions of excess can only be made in cash. Contact your Investment Advisor to initiate any liquidations required. If your Investment Advisor needs to liquidate assets to generate proceeds to cover the requested amount of cash, the distribution will be processed after all liquidating trades have settled.

IMPORTANT: This form can be used to request return of excess to the participant only. Corrective distribution of employer match excess requests must be handled outside of this form. Please reach out to your Investment Advisor if you have questions.

- Distribution amount including earnings calculated by you or your tax advisor.** Provide gross amount of the corrective distribution of excess and earnings/losses.
- Distribution from Roth account, if applicable.** Provide Roth basis and first year of the Roth contribution for IRS reporting purposes. This section is applicable to corrective distributions of excess from Roth account types only.

SECTION 5: Withholding

IMPORTANT: The distributions you receive from your qualified plan account are subject to federal and possibly state income tax. Even if you elect not to have tax withheld, you are liable for payment of income tax on the taxable portion of your distribution. You may also be subject to tax penalties under the estimated tax payment rules if your withholding or payments of estimated tax, if any, are not adequate. Note: For additional information, consult your tax advisor or the IRS concerning your withholding election.

A. Federal Withholding

A withholding rate is not required to be entered. If no rate is entered, the default withholding rate will be withheld. Enter a withholding rate in the field provided to elect a withholding rate that is different from the default. The withholding election for this distribution will not replace the withholding election on any of your existing or future distributions. Please read the attached IRS "Form W-4R" for additional withholding requirements for your distribution.

B. State Withholding

Declare your permanent state of residence. If none is given, then the address of record will be used. The account owner's legal address of record at the time of the distribution determines the state withholding requirements.

Check the box indicating the state withholding percent or amount to be withheld or check the box indicating that you want no state tax withheld.

Note: Some state's withholding will be rounded to the nearest whole dollar.

IMPORTANT:

- State withholding is not available for all states. For a list of states available for withholding and their rules, may refer to the Axos Advisor Services Withholding Information document found online at www.axosadvisorservices.com. Axos Advisor Services provides this information as is and does not guarantee its accuracy. Please contact your Investment Advisor or tax advisor for more definitive information on state withholdings and withholding rules.

- If your state has mandatory withholding that allows you to opt out after certain conditions are met, please consult your tax advisor prior to checking the 'Do NOT withhold' box on the distribution form to ensure that you have met the conditions.
- If your state has mandatory withholding requirements, state withholding may be processed even if the 'Do NOT withhold' election box is checked.

SECTION 6: Delivery Method

Select the appropriate distribution method.

Qualified Plan Corrective Distribution of Excess can only be payable for the benefit of the participant.

IMPORTANT: Funds sent via check, via overnight check, or by wire, may be subject to a fee, which will be deducted from your account balance. Your Investment Advisor can provide you with fee information regarding these transactions.

- **By electronic transfer:**
 - If you select the ACH box, then select either Checking Account or Savings Account. For an ACH, if Checking Account or Savings Account is not selected, we will default to Checking Account.
 - If you select the Voided Check Provided box, provide a blank check with this form.
 - If you select Bank on File box, Axos Advisor Services will use the bank on file as provided on the Advisor Authorization for contribution/distribution form or active systematic contribution/distribution record or similar form or record received from your Investment Advisor.
 - If you select Bank information provided below box, complete all four sections as requested.

Note: Allow 1-2 business days for delivery from the processed date for an ACH, and the same or next business day for wires. If electronic transfer is selected and ACH or wire is not, we will default to ACH checking account.

- **By check:**
Select the appropriate box to indicate where the check is to be sent. Allow 10 business days for delivery of mailed checks.
- **Transfer to an eligible account at another institution:**
This method transfers the corrective distribution of excess in cash to a non-retirement account in your name at another institution. Provide the institution name, account title, For the Benefit of (FBO) designation if applicable, account number, account type, and complete mailing address.
- **Transfer internally to an eligible Axos Advisor Services account:**
This method transfers cash to another retirement or non-retirement account in your name at Axos Advisor Services. Check the box indicating if it is a new or existing Axos Advisor Services account. For existing accounts, provide the Axos Advisor Services account number, account title and account type. For new accounts, enter the account type and attach the appropriate Axos Advisor Services account application to this form.

SECTION 7: Participant Signature

Sign and date the form. Investment Advisors may not request corrective distribution of excess.

Note: If the participant and trustee or plan administrator of a Solo(k) are the same individual, please sign and date as both participant and authorized plan representative.

SECTION 8: Authorized Plan Representative Signature

An Authorized Plan Representative is typically the plan administrator, but may be authorized by the plan's trustee, TPA, or a 3(16) fiduciary to approve distributions from the qualified plan.

Provide signature of Authorized Plan Representative to authorize distribution

Return your completed form as instructed by your Investment Advisor or a client representative. Questions regarding this form should be directed to your Investment Advisor.

END OF FORM

1a First name and middle initialLast name1b Social security number

Address

City or town, state, and ZIP code

**DO NOT COMPLETE OR RETURN.
THIS FORM IS FOR REFERENCE ONLY.**

Your withholding rate is determined by the type of payment you will receive.

- For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.
- For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

2 Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals) 2 %

Sign Here

Your signature (This form is not valid unless you sign it.)

Date

General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to www.irs.gov/FormW4R.

Purpose of form. Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

2025 Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
15,000	10%	30,000	10%	22,500	10%
26,925	12%	53,850	12%	39,500	12%
63,475	22%	126,950	22%	87,350	22%
118,350	24%	236,700	24%	125,850	24%
212,300	32%	424,600	32%	219,800	32%
265,525	35%	531,050	35%	273,000	35%
641,350*	37%	781,600	37%	648,850	37%

* If married filing separately, use \$390,800 instead for this 37% rate.

General Instructions (*continued*)

Nonperiodic payments—10% withholding. Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

Note: If you don’t give Form W-4R to your payer, you don’t provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2025, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

Eligible rollover distributions—20% withholding. Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions for purposes of these withholding rules:

- Qualifying “hardship” distributions;
- Distributions required by federal law, such as required minimum distributions;
- Distributions from a pension-linked emergency savings account;
- Eligible distributions to a domestic abuse victim;
- Qualified disaster recovery distributions;
- Qualified birth or adoption distributions; and
- Emergency personal expense distributions.

See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

Payments to nonresident aliens and foreign estates. Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

Line 2

More withholding. If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

Less withholding (nonperiodic payments only). If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

Suggestion for determining withholding. Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

Examples. Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

Example 1. You expect your total income to be \$65,000 without the payment. Step 1: Because your total income without the payment, \$65,000, is greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$85,000, is greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

Example 2. You expect your total income to be \$61,000 without the payment. Step 1: Because your total income without the payment, \$61,000, is greater than \$26,925 but less than \$63,475, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$81,000, is

greater than \$63,475 but less than \$118,350, the corresponding rate is 22%. The two rates differ. \$2,475 of the \$20,000 payment is in the lower bracket (\$63,475 less your total income of \$61,000 without the payment), and \$17,525 is in the higher bracket (\$20,000 less the \$2,475 that is in the lower bracket). Multiply \$2,475 by 12% to get \$297. Multiply \$17,525 by 22% to get \$3,856. The sum of these two amounts is \$4,153. This is the estimated tax on your payment. This amount corresponds to 21% of the \$20,000 payment (\$4,153 divided by \$20,000). Enter "21" on line 2.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s).

Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

YOUR ROLLOVER OPTIONS

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

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account in some employer plans that is subject to special tax rules). 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 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.

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 59 1/2 and do not do a rollover, you might also have to pay a 10% additional income tax on early distributions unless another exception applies. (This Notice will also describe those exceptions in more detail.) 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 to the 10% additional income tax 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, IRAs are not subject to spousal consent rules 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.

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 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 joint lives or life expectancies of you and your beneficiary)
- Required minimum distributions, which must begin when you attain age 70 1/2 (if you were born before July 1, 1949), or at age 72 (if you were born after June 30, 1949), or, if earlier, upon death.
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Distributions of certain premiums for health and accident insurance
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)

The 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 joint lives or life expectancies of you and your beneficiary)
- Payments of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters
- 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 (without regard to whether you itemize deductions for the taxable year)
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments for certain distributions relating to certain federally declared disasters, but only to the extent provided by the Plan

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 on the part of the distribution that you must include in income, 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:

- Your employment status with the employer maintaining this Plan is irrelevant (i.e., there is no additional 10% tax if you terminate employment before 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.
- For distributions from IRAs, 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 address any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax employee contributions (not the same thing as Roth deferrals) included in a payment are not taxed. If you receive a partial payment of your total 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. 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 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 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.

Similarly, if you do a 60-day rollover to an IRA of only a portion of the payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a complete distribution of your benefit which totals \$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.

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 (but see the section entitled "If you have an outstanding loan that is being offset" for a longer deadline for certain loan offsets). The IRS, however, 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 (or the later deadline for certain loan offsets). There are three ways to obtain a waiver from the IRS: (1) you qualify for an automatic waiver, (2) you self-certify that you met the requirements of a waiver, or (3) you request and receive from the IRS a private letter ruling granting a waiver (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 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, generally, the Plan. The 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. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions when applicable). You may roll over the amount of the loan offset to an IRA or another employer's retirement plan if the terms of that employer's plan permit that plan to receive the plan loan offset rollover).

The amount of time you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

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 you roll over your payment to 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. In general, the 10% additional income tax on early distributions will not apply. However, unless you take the amount rolled over out of the Roth IRA within the 5 year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

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 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 you do 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. In general, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA account within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies)).

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 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 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 generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the deceased 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 were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

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 were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

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 QDRO. If you are the spouse or former spouse of the Participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the Participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). 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 do 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.

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 also have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov. For more information about the Plan's provisions in this regard, please see the Plan's Summary Plan Description.

FOR MORE INFORMATION

You may wish to consult with the 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.

YOUR ROLLOVER OPTIONS FROM YOUR ROTH ACCOUNT

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

This notice describes *only* the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Administrator or the payor will tell you the amount that is being paid from each account.

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

The cumulative amount of your Roth deferrals that are being distributed from a designated Roth account is not taxable (since you already paid taxes on such amounts), but earnings on those Roth deferrals might be taxed (unless an exception applies). (This Notice will also describe those exceptions in more detail.) The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution (as defined below). 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 portion of the payment that is earnings. If you are under age 59 1/2, a 10% additional income tax on early distributions might also apply to the earnings in your Roth account (unless an exception applies). (This Notice will also describe those exceptions in more detail.) However, if you do a rollover, you might not have to pay taxes currently on the earnings in your Roth account.

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, Roth IRAs are not subject to spousal consent rules 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 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 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 at the same time, the portion directly rolled over consists first of earnings.

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 joint lives or life expectancies of you and your beneficiary)
- Required minimum distributions, which must begin when you attain age 70 1/2 (if you were born before July 1, 1949, or at age 72 (if you were born after June 30, 1949), or, upon death at any age
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Distributions of certain premiums for health and accident insurance
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)

The 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 joint lives or life expectancies of you and your beneficiary)
- Payments of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments 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 excepted from the additional income tax by federal legislation relating to certain emergencies and disasters.

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.
- For distributions from IRAs, 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 address 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 (but see the section entitled "If you have an outstanding loan that is being offset" for a longer deadline for certain loan offsets). The IRS, however, 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 (or the later deadline for certain loan offsets). There are three ways to obtain a waiver from the IRS: (1) you qualify for an automatic waiver, (2) you self-certify that you met the requirements of a waiver, or (3) you request and receive from the IRS a private letter ruling granting a waiver (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 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, generally, the Plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The 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. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset is not a qualified distribution and you do not roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

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

(such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

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 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 generally will 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 does 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 deceased 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 born before July 1, 1949) or age 72 (if born after June 30, 1949).

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 QDRO. If you are the spouse or a former spouse of the Participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the Participant would have (for example, you may roll over the payment to your own Roth IRA or to a designated Roth account in an eligible employer plan that will accept it).

If you are a nonresident alien

If you are a nonresident alien, you do not do a direct rollover to a U.S. IRA or U.S. employer plan, and the payment is not a qualified distribution, instead of withholding 20%, the Plan is generally required to withhold 30% of the earnings 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 do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover

rights related to disaster relief, see the IRS website at www.irs.gov. For more information about the Plan's provisions in this regard, please see the Plan's Summary Plan Description.

FOR MORE INFORMATION

You may wish to consult with the 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.