

### Instructions

To request a direct rollover to an eligible retirement plan (including an IRA), complete all applicable sections of this form, obtain any required signatures, and return the form to Bencor at 4333 Edgewood Road NE, Mail Drop 0001, Cedar Rapids, IA 52499. For rollovers to multiple financial institutions, complete the Supplemental Rollover Form attached. For further information, please refer to the Special Tax Notice Regarding Plan Payments or your Summary Plan Description, or contact us at 888-258-3422.

### Section A. Employer Information

Employer Name

Contract/Account No.

Affiliate No.

### Section B. Personal Information

Social Security No.

Date of Birth  
(mm/dd/yyyy)

First Name/Middle Initial

Last Name

Mailing Address

City

State

Zip Code

Phone No.

Ext.

Email Address

### Section C. Rollover Information

Reason for Rollover:

Termination of Employment

Retirement

QDRO Award

#### Rollover Options (choose one):

**Full Rollover** - Roll over my entire account, including the portion attributable to after-tax contributions.**Combination Rollover\***

\$ \_\_\_\_\_ or \_\_\_\_\_ % paid to me, remainder as direct rollover as instructed below.

\$ \_\_\_\_\_ or \_\_\_\_\_ % as direct rollover as instructed below, remainder will be paid to me.

**\*For any cash withdrawal, please specify:****Net Withdrawal** (The amount requested below will be the amount issued to you *after* taxes are withheld. Please note that this will result in a larger total withdrawal amount than requested above.)**Gross Withdrawal** (The amount requested below will be the amount withdrawn *before* taxes are withheld. Please note that this will result in a smaller payment to you than the amount requested above.)

*Note: If one of the above boxes is not checked, your withdrawal will be processed as a gross amount.*

*If there are insufficient funds in your account for a net distribution, your distribution will be processed for the maximum amount available.*

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

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

**Type of Rollover**

- Roll over to my other existing Bencor Plan \_\_\_\_\_ (account number).
- Roll over to a Traditional IRA with another financial institution.
- Roll over to a Roth IRA with another financial institution. *Note: If you elect a rollover to a Roth IRA, you will be taxed as if the distribution was not rolled over.*
- Roll over to an eligible retirement plan (e.g., qualified plan, 403(b) plan, 401(k) plan, or governmental 457(b) plan).

If rolling over assets to more than one institution, please provide information for additional carrier on the Supplemental Rollover Form:

Make check payable to: \_\_\_\_\_

New Plan Provider Name \_\_\_\_\_

New Plan Provider Address \_\_\_\_\_

New Plan Account No. \_\_\_\_\_

New Plan Provider Contact Name/Phone No. \_\_\_\_\_

Dollar amount from or percent to this carrier \_\_\_\_\_ *(Complete only if rolling money over to more than one provider)*

**Section D. Payment Options For Rollovers**

**For Rollovers:** *If one of the below payment options is not selected, this distribution will be processed in the form of a check. Please provide payment option for additional carrier on the Supplemental Rollover Form.*

- Special Handling \_\_\_\_\_
- Wire transfer *(A completed Payment Options form (attached) is required. Option available only for net distributions of at least \$5,000. Any distribution of \$250,000 or more must be processed in the form of a wire transfer. Any distribution less than \$5,000 will be processed in the form of a check.)*
- Check

**For Partial Distributions Payable to Participant:** *(Complete only if doing a Partial/Combination Rollover)*

- Direct Deposit to my bank account. *Note: This option will result in the fastest delivery of funds. It is an electronic transfer of funds directly into your bank account, generally within two business days of the withdrawal from your account, at no cost to you. A completed Payment Options form (attached) is required.*
- Check. *Note: Please note that if you request a check as the method of payment and you do not receive it, our policy is to wait 10 business days from the check issue date before placing a stop payment at the bank. Also be aware of any rules and/or restrictions your bank may have on placing holds on deposits.*

*Note: If the direct deposit option is marked and a properly completed Payment Options form does not accompany this form, your distribution will be processed in the form of a check.*

**Section E. Tax Withholding Election**

**Rollover to Roth:**

The direct rollover of any portion of your account balance is generally not subject to mandatory federal or state tax withholding. If you have indicated in Section C. above that you wish to make a direct rollover to a Roth IRA from a non-Roth account, and you want to voluntarily have federal and/or state tax withheld on the taxable portion of such rollover, indicate the applicable percentages here:

Federal \_\_\_\_\_ %                      State \_\_\_\_\_ %

In the event that a portion of your account is paid to you in cash and has not previously been taxed, or if you default on your outstanding loan, the following tax withholding may apply:

**For funds payable to participant:**

**Federal Income Tax Withholding** - 20% mandatory tax withholding applies.

**State Income Tax Withholding** - Withholding is mandatory in some states. Other states allow an independent election and in these states, state tax will be withheld unless you elect otherwise. If your state requires a greater withholding percentage than what you have indicated, the mandatory state tax will apply. If your state does not allow withholding, no state tax can be withheld. Please contact us to confirm if your state has a mandatory state tax.

- Do not withhold state income tax (if independent election is permitted)
- Withhold state income tax: \_\_\_\_\_ %

**Section F. Participant Signature**

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Please note: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim from a group annuity contract issued in New York, containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed \$5,000 and the stated value of the claim for each such violation. States other than New York also have insurance fraud statutes, which impose penalties for any violation thereof.

**For participants required to take a minimum distribution during the current year (and possibly, prior years) that was not satisfied, please note the following: If you have not already taken your required minimum distribution (RMD) for the current year and any past years, the amount needed to satisfy the RMD will be distributed as part of a separate transaction made payable to you prior to the processing of your direct rollover request. If you do not have a Minimum Distribution Request Form on file with Bencor that indicates otherwise, 10% federal tax withholding will apply to the RMD transaction.**

**For All Participants:** I represent that the receiving plan or IRA will accept this direct rollover on my behalf, and is an eligible retirement plan permitted by law to receive eligible rollover distributions, and that I am eligible to rollover this distribution to such plan or an IRA. If I hold an investment in SecurePath for Life, I have received and read the Special Notice to SecurePath for Life Participants, which contains important additional information about the impact of withdrawals on my SecurePath for Life benefit. I certify that the information provided on this form is correct and complete.

I understand that my distribution will not be processed until all payroll adjustments have been submitted by my employer and I have satisfied the wait period specified by my plan.

**X** \_\_\_\_\_  
Participant Signature

**X** \_\_\_\_\_  
Date

**X** \_\_\_\_\_  
Print Name

**X** \_\_\_\_\_  
Social Security Number

**Section G. Employer Information and Signature**

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Note: This direct rollover request cannot be processed unless all applicable sections of this form have been completed.

Employment Status:  Active  Terminated \_\_\_\_\_ Termination Date  Retired \_\_\_\_\_ Retirement Date

Date of final contribution \_\_\_\_\_ (Processing will be delayed until final contribution is received.)

Have all contributions been remitted?  Yes  No

I certify that the distributing plan meets any applicable regulatory requirements, that this rollover distribution constitutes an eligible rollover distribution, that this transaction is permissible under the provisions of the plan, that any required consents and waivers have been obtained, and that the information provided on this form is correct and complete. I certify that I am authorized to sign on behalf of the Plan Sponsor and:

- That the participant is eligible to withdraw his or her funds
- That all payroll adjustments have been submitted.

**X** \_\_\_\_\_  
Employer Signature

**X** \_\_\_\_\_  
Date

If you have questions regarding the completion of this form, or how to obtain an authorized employer signature, please call Bencor at 888-258-3422.

Completed forms should be returned to  
Bencor at 4333 Edgewood Road NE, Mail Drop 0001, Cedar Rapids, IA 52499 or fax to 866-835-8863.

**Medallion Signature Guarantee (Required for Withdrawals of \$150,000 or More)**

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Please place the medallion signature guarantee in the space below

# Supplemental Rollover Form

**Instructions:** Complete this page only if rolling over assets to more than one institution.

## Additional Carrier information:

Make check payable to: \_\_\_\_\_  
IRA/Plan Provider Name \_\_\_\_\_  
IRA/Plan Provider Address \_\_\_\_\_  
IRA/Plan Account No. \_\_\_\_\_  
IRA/Plan Provider Contact Name/Phone No. \_\_\_\_\_  
Dollar amount or % to this carrier \_\_\_\_\_

**Payment Options** *If one of the below payment options is not selected, this distribution will be processed in the form of a check. Please provide payment option for the carrier listed above.*

- Special Handling \_\_\_\_\_  
 Wire transfer *(Complete information below only if wire transfer option is selected. Option available only for net distributions of at least \$5,000. Any distribution of \$250,000 or more must be processed in the form of a wire transfer. Any distribution less than \$5,000 will be processed in the form of a check.)*  
 Check

ABA No. | \_\_\_\_\_  
Bank Name \_\_\_\_\_  
Institution Name (Rollover Company) \_\_\_\_\_  
Institution Address \_\_\_\_\_  
Bank Account No. \_\_\_\_\_  
"Further Credit To" \_\_\_\_\_

**Important:** *Because a bank receiving wire transfer funds does not verify with Bencor the identity of the account holder (the account number you indicate on this form), in order to protect you and your retirement plan against fraudulent withdrawals from your account, your signature must be notarized.*

I certify that the indicated account is held in my name and the information provided on this form is correct and complete.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Participant Signature Date

**X** \_\_\_\_\_  
Print Name

## Certificate of Acknowledgement

State of \_\_\_\_\_ County of \_\_\_\_\_

On \_\_\_\_\_ (notary date), before me, \_\_\_\_\_ (notary name printed),

personally appeared, \_\_\_\_\_ (participant name printed)

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

**WITNESS my hand and official seal**

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Notary Public Signature and Stamp/Seal Date



www.bencorplans.com

## Direct Rollover Payment Options

### Instructions:

**This form must be accompanied by a completed Direct Rollover form.** Choose one of the three payment options listed on the form. Option 3 for Direct Deposit is only available for the taxable distribution portion of combination rollover/distribution requests.

### Plan Information

Company/Employer Name

Contract/Account No.       Affiliate No.       Division No.

### Personal Information

Social Security No.       Date of Birth (mm/dd/yyyy)

First Name/Middle Initial       Last Name

### 1. OVERNIGHT MAIL DELIVERY FROM UNITED PARCEL SERVICE (UPS)

A check will be released for overnight delivery within seven (7) calendar days from the date that all required documentation and approvals are received. A fee (up to \$50) will be deducted from your account or from the distribution amount. If the rollover or transfer is greater than \$250,000, a wire transfer is recommended.

To deliver the check to an alternate address, indicate the name of the addressee and that address below. If an alternate address is not listed, the check will be mailed your new provider's address listed on the Direct Rollover Form.

Contact Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Note: UPS will not deliver to a PO Box, military post office or US territory, except Puerto Rico.

I certify that the information provided on this form is correct and complete. I authorize the overnight fee (up to \$50) to be deducted from my account balance.

**X** \_\_\_\_\_      **X** \_\_\_\_\_      **X** \_\_\_\_\_  
**Participant Signature**      **Date**      **Social Security Number**

**2. WIRE TRANSFER**

Wire transfer is available for direct rollovers or plan transfers of at least \$5,000. Any amount less than \$5,000 must be processed in the form of a check.

ABA No. | |\_|\_|\_|\_|\_|\_|\_|\_|\_|\_|\_|\_|\_|\_|\_|\_|

Bank Name \_\_\_\_\_

Provider Name \_\_\_\_\_

Provider Address \_\_\_\_\_

Bank Account No. \_\_\_\_\_

“Further Credit To” \_\_\_\_\_

*Important: Because a bank receiving wire transfer funds does not verify the identity of the account holder (the account number you indicate on this form), in order to protect you and your retirement plan against fraudulent withdrawals from your account, your signature must be notarized.*

I certify that the indicated account is held in my name and the information provided on this form is correct and complete.

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Participant Signature Date

**X** \_\_\_\_\_  
Print Name

**CERTIFICATE OF ACKNOWLEDGEMENT**

State of \_\_\_\_\_ County of \_\_\_\_\_

On \_\_\_\_\_ (notary date), \_\_\_\_\_ (participant name printed),

personally appeared before me, \_\_\_\_\_ (notary name printed)

personally known to me -- OR --

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

**WITNESS my hand and official seal**

**X** \_\_\_\_\_ **X** \_\_\_\_\_  
Notary Public Signature and Stamp/Seal Date

**3. DIRECT DEPOSIT (ACH) TO YOUR BANK ACCOUNT**

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Direct Deposit (ACH) is an electronic transfer of funds sent directly to your bank account, at no cost to you. **This option is only available for the taxable distribution portion of combination rollover/distribution requests.** After all required documentation and approvals are received, the transaction will be processed and the funds will generally be forwarded to your bank within two business days of the withdrawal from your account. Check with your bank to confirm the funds have been credited to your account. **This information should be included with every taxable request you submit. We WILL NOT use previous bank information on file.**

Checking Account       Savings Account

**Please write your Routing Number and Account Number below AND include a voided check or letter from your bank.**

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Routing or ABA Number

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Account Number

Important: You must attach one of the following:

- A voided check (must have name and address pre-printed)
- A deposit slip with pre-printed account information (must have name and address pre-printed) and the routing number cannot begin with a 5 or 6.
- Letter from your bank on bank letterhead (including your notarized signature and full name, account number, and bank routing number).

**Note: This can only be deposited into your account or an account with your name on it (the name on the bank account must match the name on your Transamerica account). We do not deposit to prepaid credit cards. If proper documentation is handwritten, not legible or is not attached, we will mail a check by standard post office delivery.**

**Please confirm the ABA number and account number with your bank, as the numbers on your check may be incorrect for direct deposit resulting in the funds being returned. If the funds are returned, a check will be mailed to the address on file.**

I authorize this transaction. If I am set up for scheduled recurring payments from my account, this method will apply for each payment unless Bencor is otherwise notified. I certify that the indicated account is with a bank and is held in my name and the information provided on this form is correct and complete.

**X**  
\_\_\_\_\_  
Participant Signature

**X**  
\_\_\_\_\_  
Date

**X**  
\_\_\_\_\_  
Social Security Number

**YOUR ROLLOVER OPTIONS**

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

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

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

**GENERAL INFORMATION ABOUT ROLLOVERS FROM YOUR RETIREMENT PLAN****How can a rollover affect my taxes?**

You will generally be taxed on a payment from the plan if you do not roll it over. If you are under age 59 1/2 and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 1/2 (or if an exception applies).

**Where may I roll over the payment?**

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

**How do I do a rollover?**

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

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

*If you do not do a direct rollover*, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 1/2 (unless an exception applies).

**How much may I roll over?**

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 1/2 (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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

**If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?**

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

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

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

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

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

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

#### **Will I owe State income taxes?**

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

#### **SPECIAL RULES AND OPTIONS For Payments From Your Retirement Account**

##### **If your payment includes after-tax contributions:**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to a traditional IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

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

**If you miss the 60-day rollover deadline:**

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

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

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59 1/2, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The plan administrator can tell you the amount of any net unrealized appreciation.

**If you have an outstanding loan that is being offset:**

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

**If you were born on or before January 1, 1936:**

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

**If your payment is from a governmental section 457(b) plan:**

If the plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the plan even if you are under age 59 1/2 (unless the payment is from a separate account holding rollover contributions that were made to the plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

**If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance:**

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

**If you roll over your payment to a Roth IRA:**

You can roll over a payment from the plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59 1/2 (or after your death or disability, or as a qualified first-time home buyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, *Individual Retirement Arrangements (IRAs)*.

**If you are not a plan participant:**

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

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70 1/2.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70 1/2.

**If you are a surviving beneficiary other than a spouse:** If you receive a payment from the plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

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

**If you are a nonresident alien:**

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

**Other special rules:**

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

If your payments for the year are less than \$200, the plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cash-out of more than \$1,000 will be directly rolled over to an IRA chosen by the plan administrator or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

**FOR MORE INFORMATION**

You may wish to consult with the plan administrator or payor, or a professional tax advisor, before taking a payment from the plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590, *Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.