Plumbers & Steamfitters Local 72
Defined Contribution Fund

c/o National Employee Benefits Administrators, Inc.
1 (888) 365-0072

INSTRUCTIONS FOR COMPLETING CARES ACT DISTRIBUTION APPLICATION
FILLABLE FORMS

COVID-19 Distribution Request Form

1. ***Plan Information*** – You do not need to complete anything in this section.
2. ***Participant Information*** – Complete all fields in this section.
3. ***Distribution Information*** – Enter the amount you are requesting to be distributed. If you leave the amount field blank, the maximum amount will be distributed ($12,000 or your full balance, whichever is less).
4. ***Tax Withholding*** – Choose one of the checkbox options in the Federal Tax Withholding section and one of the checkbox options in the State Tax Withholding section.
5. ***Participant Signature*** – Complete the Name and Date fields. You must physically sign the Participant Signature line.
6. ***Financial Institution / Bank Information*** – Choose one of the checkbox options for bank account type. Complete all fields in this section. The sample image of a check shows you where to get your bank routing number and account number from one of your checks.
7. ***Employer Information and Authorization*** – You do not need to complete anything in this section. NEBA will complete this when you submit your application.

Spousal Consent Form – This form must be notarized.

1. ***Participant Information –*** Complete your name and Social Security Number.
2. ***Participant Signature and Marital Status –*** Choose one of the checkboxes in this section, indicating your marital status. Complete your name and the date. You must physically sign the Participant's Signature Line. ***There are no Plan Representatives available to witness signatures in person at this time, so you must have a notary sign on the Plan Representative's Signature line. The notary must use a stamp, not an embossing tool.***
3. ***Spousal Consent –*** *If you are married,* complete your spouse's name and the date. Your spouse must physically sign the Spouse's Signature line. ***There are no Plan Representatives available to witness signatures in person at this time, so you must have a notary sign on the Plan Representative's Signature line. The notary must use a stamp, not an embossing tool.***

✓ **Once you have completed all of the required fields, please print a copy for signatures.**

✓ **Ensure that all required signature lines are signed by the appropriate party. Ensure that the Notary stamp is visible in the scan/picture. Embossing will not show up.**

✓ **Once complete, you may submit your application. The preferred method of submission is a secure upload via NEBA's website at www.nebainc.com/72CARES.**

Plumbers & Steamfitters Local 72 Defined Contribution Fund

Products and financial services provided by American United Life Insurance Company® (AUL) a OneAmerica® company Administrative and recordkeeping services provided by McCready and Keene, Inc. or OneAmerica Retirement Services LLC, companies of OneAmerica

ONEAMERICA®

COVID-19 Distribution Request

The Coronavirus Aid, Relief and Economic Security (CARES) Act, signed into law on March 27, 2020 creates a new penalty-free distribution available to a "qualified individual" who meets any one of the following:

- Has been diagnosed with the coronavirus, COVID-19 by a medical provider using a diagnostic test approved by the Centers for Disease Control and Prevention.
- Spouse or dependent has been diagnosed with coronavirus, COVID-19, by a medical provider using a diagnostic test approved by the Centers for Disease Control and Prevention.
- Has experienced an adverse financial impact due to quarantine, furlough, layoff, reduced work hours or inability to work due to issues with childcare related to coronavirus, COVID-19.
- Has faced other coronavirus, COVID-19-related factors as determined by the Secretary of the Treasury.

The coronavirus COVID-19 distribution by "qualified individuals" must be taken by June 30, 2020, and may not exceed $12,000 for all coronavirus, COVID-19 withdrawals.

If you are a "qualified individual" and take a COVID-19 distribution, the Act provides that you will be able to pay income tax on the distribution over a three-year time span. You may also repay these distributions within three years, and for any portion repaid, the tax consequences of the initial distribution will be abated by the IRS. These repayments will not be subject to plan contribution limits.

1. Plan Information

Please print using blue or black ink.

423137
Plan Number

Plumbers & Steamfitters Local 72 Defined Contribution Fund
Plan Name

2. Participant Information

Complete this section with your information.

For foreign addresses, visit *www.irs.gov* to determine if an additional tax form is required to receive your distribution.

First Name ______ M.I. ______ Last Name ______

Social Security (or Taxpayer ID) Number ______ Date of Birth ______

Street Address ______

Street Address ______

City ______ State ______ Zip Code ______

Telephone Number (including area code) ______ Email Address ______

3. Distribution Information

Amount to be distributed: **Up to a maximum of $12,000.**

$____________________ ***If left blank, maximum amount will be processed***

4. Tax Withholding

Federal Tax Withholding

For coronavirus, COVID-19 distributions, 10% federal tax withholding will be applied unless you elect otherwise.

☐ Please withhold ________%

☐ Please do NOT withhold federal tax.

State Tax Withholding

If you live in a state that requires state tax withholding if federal tax is withheld, then we will automatically withhold the mandatory amount for state taxes.

If state tax withholding is NOT required:

☐ Please withhold ________%

☐ Please do NOT withhold state tax.

5. Participant Signature

Participant signature is required.

I certify that I meet the requirements for the coronavirus, COVID-19 distribution for any of the following reasons:

- I have been diagnosed with the coronavirus, COVID-19 by a medical provider using a diagnostic test approved by the Centers for Disease Control and Prevention.
- My spouse or dependent is diagnosed with coronavirus, COVID-19, by a medical provider using a diagnostic test approved by the Centers for Disease Control and Prevention.
- I have experienced an adverse financial impact due to quarantine, furlough, layoff, reduced work hours or inability to work due to issues with childcare related to coronavirus, COVID-19.
- I have faced other coronavirus, COVID-19-related factors as determined by the Secretary of the Treasury.

I accept and assume any liability the plan may incur because of incorrect information I have provided. I understand the following:

The distribution is subject to income tax and that I may include in my gross income ratably over the next three tax years beginning with the tax year in which the withdrawal is made, as provided in the CARES Act.

I may repay all or any portion of my coronavirus-related withdrawal to this plan, or to another retirement plan or IRA that accepts rollovers, provided such repayment occurs within a three-year period beginning on the day following my receipt of the withdrawal.

The plan administrator and the companies of OneAmerica® (OneAmerica®), which includes American United Life Insurance Company®, McCready and Keene, Inc., and OneAmerica Retirement Services LLC, do not provide legal or tax advice, and I need to seek assistance from my own tax or financial advisor before requesting a coronavirus-related withdrawal from the plan.

The withdrawal will be taken on a proportionate basis from the funds I am currently invested in as allowed by the plan.

I authorize OneAmerica® to deposit all payments due me into the accounts identified in the sections above and discharge OneAmerica® from any further liability for any payments deposited to my account under this authorization. I also authorize OneAmerica® to initiate corrections, if necessary, to any amounts credited to my account in error. Any such payments shall be returned to OneAmerica® by the financial institution or bank if funds are available in my account or shall be returned to OneAmerica® by me, my estate or my heirs if the funds in my account are not sufficient to make the required correction. I understand that OneAmerica® may terminate its electronic fund transfer at any time and for any reason and may make payments by check instead. I further understand that liquidation of assets and distribution may not occur on the date this form is received, and, if any unusual or suspicious activity is suspected, liquidation and distribution may be delayed.

5. Participant Signature *(continued)*

Participant signature is required.

I certify that the information provided is complete and accurate to the best of my knowledge, that I received a copy of the **"Special Tax Notice Regarding Payments"**, and I am entitled to the distribution requested for the reason(s) indicated in the above sections.

____
Participant Printed Name

______________________________ ______________
Participant Signature Date

6. Financial Institution / Bank Information

If this section is not complete or your employer requests to have a check mailed directly to them, a check will be mailed instead of an ACH electronic funds transfer. For a Lump Sum Distribution this is your bank information. Information provided must be ACH electronic funds transfer NOT wire transfer instructions.

Financial Institution / Bank Information

☐ Checking Account
☐ Savings Account

____
Financial Institution / Bank Name

____
City

____
State / Zip Code

__ __ __ __ __ __ __ __ __
Bank Routing (ABA) Number

Must be 9 digits and cannot begin with 4, 5, 8, or 9

____
Bank Account Number

Account number cannot exceed 17 digits

Please obtain your routing number form a check if Checking Account was indicated above. If Savings Account was indicated, please obtain your routing number from a deposit slip. Routing numbers cannot begin with a "4, 5, 8 or 9". Please contact your bank for verification of your routing (ABA) number if it begins with one of these numbers.

7. Employer Information and Authorization

This section is not required for non-employer sponsored plans (IRA, Custodial TDAs, Orphan TDAs).

This section must be completed by NEBA.

I certify that the information provided is complete and accurate and the request complies with the provisions of the Plan.

I further certify that the **"Special Tax Notice Regarding Payments"** was provided to the participant and that the separate **"Spousal Consent"** form, if applicable, has been properly executed and remains in the Employer Designated Representative's records.

I certify if necessary I have adjusted the coronavirus, COVID-19 distribution amount requested in Section 3, and further certify I have no actual knowledge contrary to the participant certifications.

OneAmerica® is hereby directed to initiate benefit payment as elected above.

☐ Please send check to Employer's Designated Representative. Otherwise, payment will be sent directly to the participant.

____
Employer's Designated Representative Printed Name

______________________________ ______________
Employer's Designated Representative Signature Date

Qualified Joint and Survivor Annuity (QJSA) Notice

Products and financial services provided by American United Life Insurance Company® (AUL) a OneAmerica® company
Administrative and recordkeeping services provided by McCready and Keene, Inc. or OneAmerica Retirement Services LLC, companies of OneAmerica

ONEAMERICA®

This Notice explains how your Plan benefits will be calculated and distributed unless you (and your spouse if you are married) elect an optional form of payment.

Qualified Joint and Survivor Annuity (QJSA). The Plan Administrator is preparing to direct the companies of OneAmerica®, which includes American United Life Insurance Company®, McCready and Keene, Inc., and OneAmerica Retirement Services LLC regarding distribution of your vested account balance under the Plan. If the present value of your benefits exceeds $5,000, the Plan requires distribution of a joint and survivor annuity if you are married and a single life annuity if you are unmarried. Under the annuity, you will receive a level monthly payment for your life. If you are married at the time your benefit commences and your spouse survives you, your spouse will receive a monthly payment starting after your death and continuing for your spouse's remaining lifetime. The amount of your spouse's monthly payment will depend on the survivor percentage of the annuity and will be equal to 100%, 75%, 66 2/3%, or 50% of the monthly payment you were receiving. For example, a joint and 50% survivor annuity would provide a level monthly payment for your life, and if your spouse survives you, a level monthly payment equal to 50% of your monthly payment for the remainder of your spouse's life. The Plan's QJSA survivor percentage is listed in the benefits section of the Plan's Summary Plan Description (SPD).

Instead of using the Plan's QJSA survivor percentage, the Plan allows you to elect a Qualified Optional Joint and Survivor Annuity (QOSA) if you are married. If the QJSA survivor percentage of the Plan is 75% or greater, the QOSA is a joint and 50% survivor annuity. If the QJSA survivor percentage of the Plan is less than 75%, the QOSA is a joint and 75% survivor annuity. The Plan also may allow you to elect any of the survivor percentages available under the Plan as an alternate joint and survivor annuity. See the benefits section of the Plan's SPD.

Your Plan Administrator has provided the amount of your vested account balance. OneAmerica® will use your vested balance to purchase the appropriate annuity. OneAmerica® then will distribute a certificate to you as evidence of your right to receive the annuity payments. The actual amount of monthly payments made under the annuity will depend on the annuity purchase rates, your age, your spouse's age if you are married, and the amount of your vested account balance at the time your annuity is purchased. Furthermore, if anyone (a former spouse, for example) is entitled to a portion of your benefits pursuant to a Qualified Domestic Relations Order, the amount available for the annuity will be reduced by the amount specified by the Order. The amount available for the annuity will also be reduced by any outstanding amount due on a loan secured by your vested account balance.

The table below shows the approximate monthly payment amount you would receive under a single life annuity and a joint and survivor annuity (assuming your spouse is your same age) for each $10,000 of vested account balance. If none of the examples closely approximates your situation, you may obtain a more accurate estimate from the Plan Administrator. For example, if your spouse is significantly younger than you, your monthly annuity will be significantly smaller. If your spouse is significantly older than you, your monthly annuity will be significantly larger.

Monthly Amount of Distribution Per $10,000 of Vested Account Balance*			
	Participant's Age		
Distribution Method	**55**	**60**	**65**
Single Life Annuity	$ 36.82	$ 41.62	$ 47.99
Joint & 50% Survivor Annuity	34.39	38.43	43.78
Joint & 66 2/3% Survivor Annuity	33.65	37.47	42.53
Joint & 75% Survivor Annuity	33.29	37.01	41.94
Joint & 100% Survivor Annuity	32.26	35.69	40.25
Lump Sum	$10,000.00	$10,000.00	$10,000.00

**These amounts may not be less than what is guaranteed in the group annuity contract.*

The value of any distribution you may receive is based on your vested account balance in the Plan. Factors used to calculate the annuity distribution amounts in the table above are based on interest and mortality assumptions intended to approximate insurance company current annuity purchase factors.

Waiver Election. The Plan permits you to waive the annuity form of payment. To have a valid waiver, you must complete a Spousal Consent and QJSA Waiver, and if you are married, your spouse must consent to the waiver of the QJSA and the election of an alternate method of distribution by signing the Waiver. A designation of a beneficiary other than your spouse also will be effective only if your spouse consents to the designation. A Notary Public or the Plan Administrator must witness your spouse's signature. You may revoke a waiver election without your spouse's consent, but your spouse would have to consent to a new waiver election.

Financial Effect of Waiver. Under a QJSA, if you are single, you will receive a level monthly payment until your death. No payments will be made to your beneficiary after your death. If you are married, you will receive a level monthly payment until your death. Upon your death, your spouse will receive a percentage of your monthly benefit until their death. If your spouse predeceases you, no payments will be made after your death.

If you (and your spouse if you are married) waive the QJSA, you may receive your vested account balance in another form permitted under the Plan. The optional methods of distribution available to you may be varied and may include, but are not limited to, the alternatives discussed below. You may be eligible for one of these alternative methods of distribution when you are eligible to receive a distribution from the Plan. The Plan Administrator will provide you with a notice of special tax benefits, if any, available for your distribution. One alternative is a lump sum distribution under which you will receive your entire vested account balance in a single sum payment. Lump sum distributions may be eligible for rollover or other special tax benefits. A second alternative is a periodic installment distribution over a fixed period of years. This period cannot extend beyond your life expectancy (or the life expectancy of you and your spouse if you are married).

Spousal Consent

ONEAMERICA®

1. Participant Information

Participant Name: ____________________ Social Security Number: ____________________

Plan Name: Plumbers & Steamfitters Local 72 Defined Contribution Fund Plan Number: 423137

2. Participant Signature and Marital Status

Marital Status

☐ Married.
If you are married, your retirement benefits will be paid to you in the form of a Qualified Joint and Survivor Annuity with your spouse as the contingent annuitant, unless you elect otherwise. If you designate a contingent annuitant other than your spouse or if you select an option other than the Joint and Survivor Annuity, your spouse must agree with your selection in writing. Your spouse's signature must be witnessed by a plan representative or Notary Public. Your spouse's signature demonstrates that your spouse consents to and understands the effect of this election and forfeits all rights to a survivorship annuity.

If you elect an alternative option in lieu of a Qualified Joint and Survivor Annuity or if you designate a contingent annuitant other than your spouse, and do not obtain your spouse's consent, your election will NOT be effective. In that case, your benefits will be paid as a Qualified Joint and Survivor Annuity with your spouse as contingent annuitant.

☐ Married but unable to locate my spouse.
If you are married and cannot locate your spouse, spousal consent is not required; however, your election must be witnessed by a plan representative. Your plan representative may request evidence for the plan's records.

☐ Unmarried.

____________________ ____________________ ____________________

Participant's Printed Name *Participant's Signature* *Date*

Witnessed by:

____________________ ____________________

Plan Representative's Signature *Date*

3. Spousal Consent

I hereby consent to the election by my spouse to waive my right to a Qualified Joint and Survivor Annuity for the amount indicated below. Further, I acknowledge that I understand (1) that the effect of my consent may be to forfeit benefits I would be entitled to receive upon my spouse's death; (2) that my spouse's waiver is not valid unless I consent to it; and (3) that my consent is irrevocable unless my spouse revokes the waiver. I have participated in my spouse's decision to waive coverage under the Qualified Joint and Survivor Annuity form of benefit for the portion distributed now, and my action as set forth herein is voluntary and freely taken on my part.

Amount of withdrawal/distribution I am approving: $ ____________________ , and may not exceed $12,000. If the amount is not specified or the box checked, maximum amount available will be assumed for consent.

____________________ ____________________ ____________________

Spouse's Printed Name *Spouse's Signature* *Date*

Witnessed by:

____________________ ____________________

Plan Representative's Signature *Date*

IF NOT WITNESSED BY PLAN REPRESENTATIVE, NOTARY PUBLIC MUST WITNESS.

Subscribed and sworn before me this ____________ day of ____________________, ____________

Notary Public ____

County of Residence: ____________________ My Commission Expires: ____________________

Special Tax Notice Regarding Payments

Provide to participant/beneficiary/alternate payee (spouse or former spouse)

YOUR ROLLOVER OPTIONS

If you are a participant in a 457(b) plan sponsored by a tax-exempt (non-governmental) entity, you are receiving this notice to inform you that the payment you are receiving from the 457(b) plan is NOT eligible to be rolled over to an IRA or another employer plan. If you are employed by another tax-exempt (non-governmental) entity that sponsors a 457(b) plan, you may be able to transfer your account in the 457(b) plan to the 457(b) plan sponsored by the other tax-exempt (non-governmental) entity. See your employer for details.

If you are a participant in a plan that is NOT a 457(b) plan sponsored by a tax-exempt (non-governmental) entity, you are receiving this notice because all or a portion of a payment you are receiving from that plan is eligible to be rolled over to an IRA or another 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. If you receive payment from a designated Roth account in the Plan (a type of account for deferrals subject to special tax rules in some employer plans) and non-Roth contribution accounts in the Plan (e.g., regular deferrals, non-Roth employee after-tax contributions, employer nonelective contributions, employer matching contributions), the Plan administrator or the payor will tell you the amount that is being paid from each of the accounts.

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 of non-Roth contributions from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying 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.

If the payment from a designated Roth account in the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from a designated Roth account in 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.

Where may I roll over the payment?

You may roll over the payment of non-Roth contributions 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.

You may roll over the payment from a designated Roth account to either a Roth IRA or a designated Roth account in 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, Roth IRA, or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA, Roth IRA, or employer plan (for example, no spousal consent rules apply to IRAs or Roth IRAs, and IRAs or Roth IRAs may not provide loans).

The amount rolled over will become subject to the tax rules that apply to the IRA, Roth IRA, employer plan, or designated Roth account in an employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

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

If you do not do a direct rollover from your designated Roth account, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or non-qualified distribution. In addition, you can do a rollover from your designated Roth account by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a non-qualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover from your designated Roth account to an employer plan of any part of a qualified distribution. If you receive a distribution from your designated Roth account that is a non-qualified 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 59½ (unless an exception applies).

If you do a direct rollover from your designated Roth account of only a portion of the amount of Roth contributions paid from the Plan and a portion of Roth contributions 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 from your designated Roth account and the payment from your designated Roth account is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

How much may I roll over?

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

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

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

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

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment of non-Roth contributions 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.

If a payment from your designated Roth account is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment from your designated Roth account that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- 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.
- Payments from a governmental plan occurring after December 31, 2015, and made after you separate from service if you will be at least age 50 in the year of the separation and you were a qualified public safety employee before your separation from service.

If I do a rollover of non-Roth contributions to an IRA or a Roth IRA, or a rollover from my designated Roth account to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA or Roth IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies.

If you receive a payment from a Roth IRA when you are under age 59½, 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 an IRA or Roth 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 or Roth IRA, including:

- There is no exception for payments from an IRA after separation from service that are made after age 55.
- There is no special exception for payments from a Roth IRA 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 an IRA or Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules). These rules can vary from State to State.

SPECIAL RULES AND OPTIONS

If your payment includes non-Roth after-tax contributions

Non-Roth after-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your non-Roth after-tax contributions is included in the payment, so you cannot take a payment of only non-Roth after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the non-Roth after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes non-Roth after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the non-Roth after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not directly rolled over is treated as being non-Roth 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 non-Roth after-tax contributions.

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

You may roll over to an employer plan all of a payment that includes non-Roth after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for non-Roth 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 non-Roth 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-A, Contributions to Individual Retirement Arrangements (IRAs).

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

Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you do not do a rollover of non-Roth contributions, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover of non-Roth contributions 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.

If you receive a payment from your designated Roth account 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 59½, 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 for a non-qualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan.

If you receive a payment from your designated Roth account 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 attributable to non-Roth contributions 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 rollover in the amount of the loan offset to an IRA or employer plan or the loan was previously taxed to you due to it becoming delinquent. The rollover must be completed by the due date (including extensions) for filing your federal tax return for the year in which the loan was offset.

The loan offset amount attributable to your designated Roth account is treated as a distribution to you at the time of the offset and, if the distribution is a non-qualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan. The rollover must be completed by the due date (including extensions) for filing your federal tax return for the year in which the loan was offset.

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 of non-Roth contributions that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you.

If you were born on or before January 1, 1936, and receive a lump sum distribution from your designated Roth account 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 your payment is from a governmental section 457(b) plan

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

If you are an eligible retired public safety officer, and your 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 of non-Roth contributions or non-qualified distributions from your designated Roth account 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 of non-Roth contributions to a Roth IRA

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

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

If you do a rollover of non-Roth contributions to a designated Roth account in the Plan

You cannot roll over a distribution of non-Roth contributions from the Plan to a designated Roth account in another employer's plan. However, you can roll the distribution of non-Roth contributions over into a designated Roth account in the distributing Plan if permitted by the Plan. If you roll over a payment of non-Roth contributions from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

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

If you are not a plan participant

Payments after death of the participant. If you receive a distribution of non-Roth contributions or a distribution from a designated Roth account 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.

Whether the payment from a designated Roth account is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan.

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 or Roth IRA, you may treat the IRA or Roth IRA as your own or as an inherited IRA or inherited Roth IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

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 non-qualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the IRA or Roth IRA as an inherited IRA or inherited Roth IRA, payments from the IRA or 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 IRA or 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 IRA or inherited Roth IRA until the year the participant would have been age 70½.

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 (for non-Roth contributions) or to an inherited Roth IRA (for designated Roth accounts). Payments from the inherited IRA or inherited Roth 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 or inherited Roth 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 as described in this notice). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

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

Other special rules

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

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

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.

A mandatory cashout is a payment to a participant required under the terms of the plan that is 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).

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor.

Unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than $1,000 will be directly rolled over to a Roth IRA chosen by the Plan administrator or the payor.

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-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.

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