



DISTRIBUTION FORM

DISTRICT OF COLUMBIA 457(b) DEFERRED COMPENSATION PLAN

It is important to ensure you are using the most recent version of this form. Failure to do so will result in your request not being processed. Visit www.DCRetire.com. This form can be found under the Forms tab.

If you are severing employment, you may leave your money in the plan, begin taking distributions, or roll it over to another eligible retirement plan that accepts such rollovers. If you are 73 or older, you may be required to begin taking distributions in accordance with the minimum distribution requirements. You have a variety of distribution options available from which to choose.

Only you can make this very personal decision after careful consideration of several factors including your age, financial needs, tax implications and other sources of income. You are encouraged to consult with an accountant, financial planner and/or tax advisor before making your final decision. While our representatives are able to explain the options to you, they cannot tell you which payment and tax-withholding method is best for you. We cannot provide tax or legal advice. Additionally, neither these instructions nor the Distribution Form provides tax or legal advice relevant to your distribution.

MissionSquare Retirement cannot release your funds until the District of Columbia is able to confirm that you are entitled to take a distribution or make a transfer from the Plan. All completed forms must be returned to DCHR for certification.

Incomplete or Inaccurate Information — In the event any section of the Distribution Form is incomplete or inaccurate, MissionSquare may not be able to process the transaction requested on the Distribution Form. You may be required to complete a new form or provide additional information before the transaction will be processed.

Changes to Your Request — If you make a change to the Distribution Form as you are completing it, you must cross out any previously elected choice(s) and initial all changes. If you do not initial all changes, the Distribution Form will not be processed and your form will be returned to you.

IN-SERVICE DISTRIBUTION

The following is a brief explanation of each of the withdrawal options available if you are still employed with an employer offering the plan.

70½ Withdrawal — You may take a distribution from your plan at age 70½ even if you continue employment with the employer that provides this plan. Complete the Installment Payments section if you are electing installment payments as an option.

DISTRIBUTION METHOD

All distributions will be made in proportion (“pro rata”) to your investment selections, unless you specify a fund-specific request on a separate piece of paper and return your request with this form.

Full Distribution — MissionSquare will liquidate the funds from all investment options in which you have a balance. Please see the special instructions below regarding the self-directed brokerage account.

Partial Distribution — Indicate the amount of the partial distribution you elect to receive. If your available balance is less than the elected amount, the partial will be processed for the amount of the remaining available balance. **If your account contains Roth assets, and you would like to have those assets distributed first, please check the last box in section 3.**

Note for Self-Directed Brokerage (SDB) only: *With respect to both full and partial distribution requests, in the event the transfer of funds from your SDB account has not been received by MissionSquare prior to MissionSquare’s receipt of the Distribution Form, the following will occur: MissionSquare will process your request from the amount that is available in the core investment options in excess of the core minimum. For any further distributions, you must transfer the appropriate funds from the SDB account into core investment options and submit an additional Distribution Form.*

Partial Distribution followed by installment payments of an Amount Certain, or installment payments of a Period Certain

— For Phase 1 of your distribution, indicate the gross amount of your initial partial distribution on the line provided. For Phase 2 of your distribution, complete the Installment Payment section.

Installment Payment — You must select a frequency, the processing date and either specific dollar amount or specific number of years. Please note the processing date for the installment payment reflects when the funds will be disbursed from your account. Please allow up to 3 business days from that day for the funds to be credited to your bank account.

1. **Payment of an Amount Certain** — Indicate the gross amount you wish to have distributed on a regular installment basis (monthly, quarterly, semiannually or annually). Your payments will continue until your account balance is depleted. The number of payments you receive will vary depending on the performance of your investments.

2. **Payment of a Period Certain (Years)** — You will receive payments on a regular basis (monthly, quarterly, semi-annually or annually). Payment amounts will depend on the length of time in years during which you elect to receive payments, the installment basis you choose, and the performance of your investment options.

Your payment amount will be calculated by dividing your current account balance by the number of remaining payments. For example, if the payout is to be monthly for 4 years, the initial payout amount will be equal to 1/48 of the account balance. The second payment will be 1/47 of your balance, the third will be 1/46, and so on.

Your payment is recalculated each time a payment is distributed; therefore, the amount of each payment will never be the same. The payment amount will depend on the account value, which may fluctuate depending upon your chosen investments' performance. Your balance will be depleted by the end of the term you select.

Note for SDB: *In the event an installment payment option is requested and sufficient funds have not been transferred from the SDB account into core investment options your distribution request will not be processed.*

Required Minimum Distribution (RMD) — What are the Minimum Distribution Requirements? In general, the rules for participants are as follows:

- You are required to begin taking minimum distributions by April 1 of the calendar year following the later of the calendar year you:
 - (1) reach age 73, or
 - (2) retire from the employer sponsoring your Plan.
- If you have money in the Self-Directed Brokerage Accounts you must transfer balances to core investments prior to requesting a RMD if your account balance will not cover the RMD amount.
- Your RMD is calculated by dividing your account balance as of December 31 of the prior year by the life expectancy factor provided in the life expectancy tables contained in the applicable Treasury regulations, using your age in the current year.
- MissionSquare will adjust your last payment of the year to ensure your RMD amount is met.
- Any direct distribution you receive during the year counts toward your RMD amount for that year.
- You may take your first minimum distribution during the year you become 73, or you may defer your first distribution no later than April 1 of the following year.
- If you elect to defer your first distribution to April 1 of the calendar year following the calendar year in which you turn 73 or retire, you will be required to take two payments that year: one by April 1 following the year in which you turned 73 or retired, and one by December 31 of that same year. You must take a minimum distribution by December 31 of every calendar year thereafter.

- If you are participating in more than one type of retirement plan, your minimum distribution must be calculated and taken separately from each plan.
- Your RMD amount must be paid directly to you. It cannot be rolled over to another plan.

After-Tax Split Distributions — If your rollover includes both pre-tax and after-tax assets, you may request to “split” your distribution into two parts; sending pre-tax amounts to one account and after-tax amounts to another account. To accomplish this, you will need to provide details for the account that will receive the pre-tax assets in section 3 of the form and details for the account that will receive the after-tax assets in section 3.

If no option is selected in section 4, any Roth or after-tax assets will be sent to the same account indicated in section 3.

Transfer to an Eligible 457(b) Plan — You must determine whether your new employer’s plan accepts eligible 457(b) plan to plan transfers. Indicate the dollar amount you want to transfer (minimum \$200.00) and provide the company name, account number, mailing address, city, state, zip code and a phone number for your transfer. Once MissionSquare has processed a transfer, it cannot be returned. A check for the amount of the transfer will be payable to the new service provider for your benefit.

Direct Rollover to an Eligible Plan or IRA — You must determine whether your new employer’s plan or IRA accepts eligible rollover distributions.

Beginning in the later of the year you attain age 73 or the year during which you sever employment, you may not roll over that portion of a distribution equal to your required minimum distribution amount.

If you are requesting a direct rollover, an eligible rollover distribution is paid from your Plan directly to an eligible retirement plan or to a Traditional IRA.

Indicate the dollar amount you want to roll over (minimum \$200.00) and provide the company name, account number, mailing address, city, state, zip code and a phone number for your direct rollover. Once MissionSquare has processed a direct rollover, it cannot be returned.

If you choose this Distribution Method, a Form 1099-R will be issued for reporting purposes; however, no federal income tax will be automatically withheld from amounts directly rolled over.

Direct Rollover of Roth Assets — If your rollover includes Roth assets, the receiving plan must be a 457 plan with a Roth deferral feature. You should give careful consideration to how Roth assets are transferred, and be aware of the impact a transfer may have on when you are eligible for tax-free withdrawals of Roth assets. Please review the *Special Tax Notice Regarding Plan Payments* for additional information.

If you want your Roth assets included in your transfer check the corresponding box in Section 3 of the form. Non-Roth assets will be distributed prior to any Roth assets, unless the box in Section 3 is checked.

If the receiving plan is not able to receive a transfer of Roth assets, these amounts may be returned to MissionSquare.

Direct Rollover to a Roth IRA — You are responsible for determining if you are eligible to make a rollover to a Roth IRA. If you roll your distribution directly into a Roth IRA, the entire taxable portion of the rollover (amounts other than after-tax contributions) will be taxable income to you in the year of the rollover. Subsequent distributions from the Roth IRA may qualify as tax-free distributions. You should consult with a tax advisor to determine the tax consequences of future distributions from the Roth IRA. No income tax withholding is required for any taxable portion of your payment for which you choose a Direct Rollover. However, you are responsible for paying the taxes due for the year of distribution. You must have other money from which you can pay the taxes. Generally, the 10% penalty tax for distribution prior to age 59½ does not apply to the rollover. However, it may later apply if you subsequently withdraw the money from the Roth IRA under certain circumstances.

Once rolled to a Roth IRA, you cannot subsequently roll your distribution to an employer plan, even if the Plan accepts designated Roth contributions.

If a Termination date is on file with MissionSquare, no sign off is needed, and you have the option to request distribution via online. Once a participant leaves the District and is terminated from employment, you can verify this Termination Status as 'Separated from Service' (in Account Access: View Account / My Profile), if not then check with the Call Center to verify. If Termination date is not on file, then approval from DCHR is needed for initial distribution.

PAYMENT DELIVERY

The delivery of your distribution may depend on the Distribution Method you elected on the Distribution form. Below is a description of each delivery option. Note: ACH is required for installment payments.

Check — Checks are mailed to your address on record.

Automated Clearing House (ACH) — You may elect to have your funds electronically deposited into your checking or savings account. ACH is the required method for installment payments. You must complete the Direct Deposit Form in order to receive your funds via ACH.

FEDERAL AND STATE INCOME TAX WITHHOLDING

Distribution withholding will vary depending on the type of distribution you are requesting on the Distribution Form. You have received and must read the attached Special Tax Notice, which provides additional tax withholding information. You are strongly urged to consult with your tax advisor to determine your appropriate tax withholding.

Federal Income Tax Withholding

Full Distribution — 20% mandatory federal income tax withholding will apply unless you elect a Direct Rollover of the entire amount.

Partial Distribution — 20% mandatory federal income tax withholding will apply unless you elect a Direct Rollover.

Installment Payment — 20% mandatory federal income tax withholding will apply to all amount certain or period certain installment payments scheduled to continue for less than 10 years. If your installment payments are scheduled to continue for a period certain of more than 10 years, complete and attach a Form W-4P to your Distribution Form. If a W-4P is not attached, federal withholding will be made as though you are married with three allowances.

Direct Rollover — Eligible rollover distributions that are directly rolled over are not subject to federal tax withholding.

Mandatory District Tax Withholding. If the distribution from the plan is subject to mandatory withholding of federal income tax, the District of Columbia (DC) withholding tax formula is used to calculate withholding for all nonqualified plan distributions. The withholding tax formula is used to calculate withholding for periodic and withdrawal distributions from qualified plans. Withholding for lump sum distributions from qualified plan distributions is withheld at the current rate set by the District of Columbia (DC). Participants who live in other areas/states will experience withholding at their state's mandatory rate.

Important Note

Please reference the *Special Tax Notice Regarding Plan Payments* document for further details as they apply to distributions from a retirement account.

Neither the District of Columbia, the plan sponsor, nor MissionSquare, the plan recordkeeper, gives legal or tax advice. You may wish to consult with 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, or by calling 1-800-TAX-FORM.

DIRECT DEPOSIT INFORMATION

Required for periodic installment payments, MissionSquare will have your payments deposited directly to your bank account (at no cost to you).

1. Complete and return the *Direct Deposit Authorization Form*.
2. Include a voided check with your *Direct Deposit Authorization Form*.

With direct deposit, your periodic installment payments are sent directly into your checking or savings account on the same day we would have otherwise mailed a check. Your payment will be available three to five days earlier than a mailed check.

Direct deposits must go through a test transmission with your bank before you receive payments. If problems are encountered but not resolved prior to your first payment, your first payment may be a check rather than an electronic deposit. Incorrect or incomplete bank information will delay the processing of your request.



DISTRIBUTION FORM

DISTRICT OF COLUMBIA 457(b) DEFERRED COMPENSATION PLAN | PAGE 1 OF 3

Employer Plan: **307230 — DC 457(b) Deferred Compensation Plan**

Please type or print with blue or black ink when completing the form. For additional instructions, please see page 1.

1. PERSONAL INFORMATION

Social Security Number: _____
(FOR TAX-REPORTING PURPOSES)

Date of Birth: ____ / ____ / _____

Date Employed: ____ / ____ / _____

Last Date of Employment: ____ / ____ / _____

Participant: *LAST NAME* _____
FIRST NAME/MI _____

Mailing Address/Street:

City: _____

State: ____ ZIP+4: _____ - _____

Daytime Phone Number: (____) _____ - _____

Evening Phone Number: (____) _____ - _____

Email Address: _____

Are You a U.S. Citizen? Yes No

Please indicate what Agency you are employed by:

- D.C. Courts* D.C. Water*
- D.C. Housing* D.C. Public Schools (DCPS)
- D.C. Council D.C. Auditor
- Advisory Neighborhood Commissions
- Other _____

* **Participants who were employed by D.C. Courts, D.C. Water or D.C. Housing can send requests to their agency's Human Resources Department for approval.**

2. DISTRIBUTION

Have you received a distribution before? Yes No

3. IN-SERVICE DISTRIBUTION

Check only one box. A separate form is available at www.DCRetire.com.

Age 70½ Withdrawal
(complete Installment Payments section if setting up installments)
Amount \$ _____ or _____%

Eligible Rollover/Transfer of Assets

4. DISTRIBUTION METHOD

Full Distribution

Check this box to have your partial distribution taken first from your Roth balance (if applicable). *Non-Roth assets will be distributed prior to any Roth assets, unless this box is checked.*

Partial Distribution

Partial Amount \$ _____ or _____%

Partial Distribution followed by Installment Payments
(also complete Installment Payments below)

Partial Amount \$ _____ or _____%

Partial Distribution followed by Rollover *(also complete Direct Rollover/Transfer section on page 7)*

Partial Amount \$ _____ or _____%

Installment Payments

Frequency:

- New Installment Monthly
- Change Installments Quarterly
- Stop Installments Semi-Annually
- Annually

If you selected Quarterly, Semi-Annually or Annually please specify the month(s) that you want to receive your installments here: _____

Monthly installments will begin as soon as administratively possible and are processed on the closest business day to the date you provide here: ____ / ____ / _____

Check this box to have your installment payments taken first from your Roth balance (if applicable).

This is the day that the funds are disbursed from your account. Please allow up to 3 business days for the funds to be credited to your bank account.

1. Payments of an Amount Certain until the account is exhausted:

Specified dollar amount: \$ _____

2. Payments of a Period Certain:

Specified time period of ____ years.

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DISTRIBUTION FORM

DISTRICT OF COLUMBIA 457(b) DEFERRED COMPENSATION PLAN | PAGE 2 OF 3

SSN: _____ - _____ - _____

Name: LAST, FIRST, MI _____

Required Minimum Distribution* Frequency:

Single Payment Monthly Quarterly

Semi-Annually Annually

Monthly installments will begin as soon as administratively possible and are processed on the closest business day to the date you provide here: ____ / ____ / _____

This is the day that the funds are disbursed from your account. Please allow up to 3 business days for the funds to be credited to your bank account.

If you selected Quarterly, Semi-Annually or Annually please specify the month(s) that you want to receive your installments here: _____

If you selected an annual payment and this is your first RMD, please indicate if you want to be paid in the current year or paid by April 1 of the next calendar year. Please select one:

- First payment in current year
- Defer to next calendar year (by April 1)

**Please note that if you elect an installment distribution of your current tax year Required Minimum Distribution (RMD), the payment amount will be calculated using your remaining RMD amount for the current year and your payment may increase to ensure that you meet the RMD each year. The RMD amount will be adjusted annually based upon IRS life expectancy tables. Any remaining RMD amounts not satisfied by the installment payment will be automatically made payable to you in December of the applicable tax year. If this is your first year for a RMD any additional amounts due and not satisfied by the installment payment will be paid to you in April of the following year in accordance with IRS regulations. Refer to page 2 for more Required Minimum Distribution information.*

Direct Rollover/Transfer

Provide company information below. Applies to full or partial distribution options only. If a dollar amount or percentage to roll over has not been provided, a full rollover will be processed. Checks will be mailed to the receiving trustee's address as indicated below.

Amount of Rollover: \$ _____ or _____ %

- Transfer to an eligible governmental 457(b) plan
- Rollover to an eligible plan
- Rollover to an IRA (Traditional)
- Rollover to a Roth IRA

Check this box to have your Direct Rollover/Transfer taken first from your Roth balance (if applicable).

Direct Rollover/Transfer (Continued)

Name of Receiving Trustee: _____

Address (Number and Street): _____

City: _____

State: ____ Zip Code + 4: _____ - _____

Account Number: _____

Name on Account: _____

Annuity Purchase

Annuity Provider: \$ _____

Name of Provider: _____

Provider Mailing Address: _____

5. PAYMENT DELIVERY METHOD

- Check mailed to my address of record via U.S. Postal Service
- ACH Direct Deposit — Payment deposited to my account at a financial organization (Complete the attached direct deposit form. Not available for rollovers/transfers.)

6. FEDERAL INCOME TAX WITHHOLDING

Federal taxes are mandatory and withheld at 20% for partial and lump-sum payments, and for certain installment payments. Please see instructions.

Additional Federal — We will withhold all required federal tax withholding based on your distribution type. If you would like additional federal tax withheld, indicate amount:

_____ %

Required Minimum Distribution — Select this option if you are making a change to the RMD tax withholdings:

\$ _____ or _____ %

Note: Federal income tax withholding applies to RMD payments at a standard rate of 10%. You may elect not to withhold taxes or select a different tax rate. If, while you are receiving installment payments, you become RMD eligible, your installment payments will automatically be converted to RMD payments until your annual minimum is met. The RMD tax rate will be applied to any portion (up to 100%) of the installment payments that apply to your RMD. The remaining portion of your installment payment, once your RMD obligation has been satisfied, will be taxed based on the rates that you have elected to withhold.

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DISTRIBUTION FORM

SSN: _____ - _____ - _____ Name: LAST, FIRST, MI _____

7. STATE INCOME TAX WITHHOLDING

Withholding for distributions from qualified plan distributions is withheld at the current rate set by the District of Columbia (DC). Participants who live in other areas/states will experience withholding at their state's mandatory rate.

Additional District — If you would like additional District tax withheld, indicate amount:

\$ _____ *

**If the dollar amount selected is less than the required state withholding amount, the higher amount will be withheld.*

8. PARTICIPANT ACKNOWLEDGEMENT

The Internal Revenue Service requires a severance of employment from employers providing the plan to qualify for a distribution.

I understand if I am convicted of a felony related to my covered employment, my employer may direct any employer discretionary contributions treated as non-elective employer contributions be forfeited. Any person who knowingly presents a false or fraudulent claim is subject to criminal and civil penalties.

My signature acknowledges that I have received, read, understand and agree to all pages of the *Distribution Form*, the Participant Distribution Instructions, and the Special Tax Notice, and affirm that all information that I have provided is true and correct. I understand that it is entirely my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code"). I understand that I am liable for any income tax and/or penalties assessed by the IRS for any election I have chosen. I understand that I may not make changes to this request once a check has been issued. If I have elected an installment payment, I may make changes to future payments by completing a new distribution form. In the event that any section of this form is incomplete or inaccurate, DCHR may not approve the transaction requested on this form and may require that I complete a new form or provide additional or proper information before the transaction can be processed.

I certify that this request is in compliance with applicable Plan provisions and federal law and that the participant has received any required notices. I acknowledge that I am currently not working in any capacity for a public employer and it has been at least one full calendar month since I last received compensation or active employment benefits from an employer providing this plan.

Participant Signature _____

Date ___/___/_____

Please note, MissionSquare does not accept electronic signatures. Please ensure to physically sign the forms in the necessary areas.

It is important to ensure you are using the most recent version of this form. Failure to do so will result in your request not being processed. Visit www.DCRetire.com. This form can be found under the Forms tab.

If a Termination date is on file with MissionSquare, no sign off is needed, and you have the option to request distribution via online. Once a participant leaves the District and is terminated from employment, you can verify this Termination Status as 'Separated from Service' (in Account Access: View Account / My Profile), if not then check with the Call Center to verify. If Termination date is not on file, then approval from DCHR is needed for initial distribution.

Please be sure to get your employer's signature, your employer will then forward to DCHR for approval. DCHR will submit your completed form to MissionSquare. If you indicated (Section 1) that you are employed by D.C. Courts, D.C. Water or D.C. Housing, you do not need to forward to DCHR for signature. Please send forms to your agency's HR for approval (Section 9).

9. EMPLOYER AUTHORIZATION

FOR EMPLOYER USE ONLY.

This section must be completed and returned to MissionSquare by your Employer or DCHR (where appropriate). By signing, the employer confirms the participant is eligible to receive payments out of the retirement plan designated in section 1. This section does not need to be completed if the employer has already notified MissionSquare of the participant's separation from service. Your department head will forward the form to DCHR for final signature.

Participant's Last Day of Employment (mm/dd/yyyy):

___/___/_____

Department Employer Signature _____

Date ___/___/_____

Name (Please print) _____

Title _____

DCHR Signature* _____

Date ___/___/_____

Name (Please print) _____

Title _____

**If you indicated in "Section 1" that you are employed by D.C. Courts, D.C. Water or D.C. Housing, please send the form to your agency's Human Resources Department for approval.*

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DIRECT DEPOSIT AUTHORIZATION FORM

Employer Plan: **307230 — DC 457(b) Deferred Compensation Plan**

Please type or print with blue or black ink when completing the form. For additional instructions, please see page 12.

PAYEE INFORMATION

Social Security Number: _____ - _____ - _____

Daytime Phone Number: (____) _____ - _____

Participant: *LAST NAME* _____

FIRST NAME/MI _____

DIRECT DEPOSIT ACCOUNT INFORMATION

Please contact your bank for this information. Incorrect information will delay electronic deposit processing. See back for an example of a check and the information needed.

Type of Depositor Account: Checking Savings

Depositor Account Number:

Name on your bank account:

Name of Financial Institution:

Financial Institution's Direct Deposit Routing Number:

Financial Institution's Telephone Number:

(____) _____ - _____

PARTICIPANT AUTHORIZATION

I hereby authorize the VantageTrust Company (hereinafter called the "Trust") to credit the above referenced account. This authorization agreement is to remain in full force and effect until the Trust has received written notification from me of its termination in such time and in such manner as to afford the Trust and depository a reasonable opportunity to act on it. This authorization agreement may also be terminated by the Trust.

In the event that the Trust notifies the bank that funds to which I am not entitled have been deposited to my account inadvertently, I hereby authorize and direct the bank to return said funds to the Trust as soon as possible.

Participant Printed Name:

Participant Signature: _____

Date ____/____/_____

PLEASE ATTACH A VOIDED CHECK HERE.

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DIRECT DEPOSIT AUTHORIZATION FORM INSTRUCTION

A. Be sure current address is shown.

JOHN AND JANE DOE
1234 Main Street
Anytown, VA 11111

345
12-345/678

20

Pay to the order of \$

Dollars

First National Bank
of Anytown, VA
Anytown, VA 11111

Memo

①:123456789① ②123 456 789 345

B. Financial institution's routing number for direct deposit. Please call your bank to verify this number is correct for direct deposit. If the number is not correct, it will result in delays.

C. Your account number.



Special Tax Notice Regarding Plan Payments

This notice applies to distributions from 401(a), 401(k), 403(b), and 457(b) plans with MissionSquare Retirement, including distributions from Roth and non-Roth accounts in the plans.

Roll-In Options Available

You are receiving this notice because all or a portion of a payment you are receiving from your account is eligible to be rolled into an IRA or an employer plan. This notice is intended to help you decide whether to do such a roll-in. Please review and consider the information in the notice before you begin withdrawing funds from your account with MissionSquare.

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

General Information About Roll-Ins

How can a roll-in affect my taxes?

Non-Roth Assets – You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a roll-in, 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 to the 10% additional income tax applies).

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

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

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a roll-in. If you do a roll-in, you will not be taxed on the amount you roll in and any earnings on the amount you roll in will not be taxed if paid later in a qualified distribution.

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

Any distribution from a pension-linked emergency savings account (PLESA), if offered by the Plan, is treated as a qualified distribution. Also, for purposes of determining the portion of a PLESA distribution that is attributable to contributions or earnings, the PLESA may be treated as separate from the rest of your designated Roth account.

What types of retirement accounts and plans may accept my roll-in?

Non-Roth Assets – You may roll in 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 roll-in. The rules of the IRA or employer plan that holds the roll-in will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs are not subject to spousal consent rules and IRAs may not provide loans). Further, the amount rolled in will become subject to the tax rules that apply to the IRA or employer plan.

Roth Assets – You may roll in the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan that will accept the roll-in (a tax-qualified plan, Section 403(b) plan, or governmental Section 457 plan). The rules of the Roth IRA or employer plan that holds the roll-in will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, Roth IRAs are not subject to spousal consent rules and Roth IRAs may not provide loans). Further, the amount rolled in will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a roll-in to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the five-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 roll-in to a Roth IRA, 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 roll-in distributions from a Roth IRA can only be rolled in to another Roth IRA.

How do I do a roll-in?

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

If you do a direct roll-in, 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 roll-in.

If you do not do a direct roll-in:

Non-Roth Assets – You may still do a roll-in by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct

roll-in, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received). This means that in order to roll in the entire payment in a 60-day roll-in, you must use other funds to make up for the 20% withheld. If you do not roll in the entire amount of the payment, the portion not rolled in 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).

Roth Assets – You may still do a roll-in by making a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a roll-in by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the roll-in does not exceed the amount of the earnings in the payment. You cannot do a 60-day roll-in to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll in an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled in, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

- If you do a direct roll-in of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled in consists first of earnings.
- If you do not do a direct roll-in and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received). This means that in order to roll in 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 in?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949, and before January 1, 1951), after age 73 (if you were born after December 31, 1950, and before January 1, 1960), after age 75 (if you were born after December 31, 1959), or after death;
- Hardship distributions;
- 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 that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA); and
- Distributions of certain premiums for health and accident insurance.

MissionSquare can tell you what portion of a payment is eligible for roll-in.

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

Non-Roth Assets – If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll in, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled in.

Roth Assets – If a payment 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 that you do not roll in (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 earnings not rolled in.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you (1) will be at least age 50 in the year of the separation or (2) have at least 25 years of service under the plan;
- Payments from a tax-qualified plan or Section 403(b) plan made after you separate from service if you are an employee who provides firefighting services and you (1) will be at least age 50 in the year of the separation or (2) have at least 25 years of service under the plan;

- Payments of up to \$5,000 made to you within one year after the birth or adoption of a child;
- Payments made due to disability;
- Payments made while you are terminally ill;
- 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 of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Payments of up to \$22,000 made in connection with federally declared disasters;
- Phased retirement payments made to federal employees;
- Payments for emergency personal expenses up to the lesser of (a) \$1,000 or (b) the excess of your vested benefit over \$1,000;
- Payments to domestic abuse victims up to the lesser of (a) \$10,000 (or such higher amount the IRS announces for years after 2024) or (b) 50% of your vested benefit; and
- Payments made after December 29, 2025, that are used to pay premiums on "certified" long-term care insurance policies up to the least of (a) the amount paid for the coverage, (b) 10% of your vested benefit, or (c) \$2,500 (or such higher amount the IRS announces).

If I do a roll-in to a traditional IRA or Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

Non-Roth Assets – 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 on the part of the distribution that you must include in income, unless an exception applies.

Roth Assets – 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 a traditional 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 a traditional or Roth IRA, including:

- The exceptions for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 or following 25 years of service for qualified public safety employees and employees providing firefighting services) do not apply;
- The exception for 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 exemptions that apply for payments from an IRA, including: (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, (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), and (4) payments of net income attributable to an excess IRA contribution made in a calendar year where such amounts are distributed by tax return deadline for the year (including extensions) and no deduction is allowed for the excess contribution.

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 in the payment to an IRA or an employer plan that accepts roll-ins. One difference is that you cannot do a roll-in if the payment is due to an “unforeseeable emergency” and the special rules under “If you were born on or before January 1, 1936,” do not apply.

Non-Roth Assets – If the distribution is from non-Roth assets, another difference is that if you do not do a roll-in, 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 roll-in 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 roll-in to an IRA or to an employer plan that is not a governmental Section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

Roth Assets – If the distribution is from Roth assets, another difference is that if you receive a payment that is not a qualified distribution and you do not roll it in, you will not have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll in, 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 roll-in to an IRA or to an employer plan that is not a governmental Section 457(b) plan, a later distribution that is not a qualified distribution made before age 59½ will be subject to the 10% additional income tax on earnings allocated to the payment (unless an exception applies).

Will I owe state income taxes?

This notice does not address any state or local income tax rules (including withholding rules).

Special Rules and Options

If your payment includes non-Roth after-tax contributions:

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

You may roll in to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day roll-in. 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 roll-in of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled in consists first of the amount that would be taxable if not rolled in. 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 in \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not rolled in is treated as being after-tax contributions. If you do a direct roll-in of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day roll-in to an IRA of only a portion of a payment made to you, the portion rolled in consists first of the amount that would be taxable if not rolled in. 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 in. In this case, if you roll in \$10,000 to an IRA that is not a Roth IRA in a 60-day roll-in, no amount is taxable because the \$2,000 amount not rolled in is treated as being after-tax contributions.

You may roll in to an employer plan all of a payment that includes after-tax contributions, but only through a direct roll-in (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 roll-in 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 in.

If you miss the 60-day roll-in deadline:

Generally, the 60-day roll-in 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 roll-in by the 60-day roll-in deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day roll-in deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, 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 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 outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount.

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

Non-Roth Assets – Any offset amount that is not rolled in will be taxed (including the 10% additional income tax on

early distributions, unless an exception applies). You may roll in offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

Roth Assets – If the distribution attributable to the offset is not a qualified distribution and you do not roll in the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may roll in the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset roll-ins). You may also roll in the full amount of the offset to a Roth IRA.

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 is not a qualified distribution from a designated Roth account and that you do not roll in, special rules for calculating the amount of the tax on the payment (for Roth assets, on any earnings taxed) might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you are an eligible retired public safety officer and your payment (including a nonqualified Roth distribution) 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 (including nonqualified Roth distributions) paid 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 in your payment of non-Roth assets to a Roth IRA:

If you roll in a payment of non-Roth assets from the Plan to a Roth IRA a special rule applies under which the amount of the payment rolled in (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled in out of the Roth IRA within the five-year period that begins on January 1 of the year of the roll-in, the 10% additional income tax will apply (unless an exception applies).

If you roll in the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not

be taxed (including earnings after the roll-in). 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 five years. In applying this five-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 roll-in, 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 roll-in from non-Roth assets to a designated Roth account in the same Plan (in-plan Roth conversion):

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

If you roll in the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the roll-in). 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 five years. In applying this five-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 roll-in to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the five-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 roll-in, including the 10% additional income tax on early distributions (unless an exception applies). As a Plan participant, you are not required to take required minimum distributions from a designated Roth account during your lifetime.

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 in, the distribution generally will be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution from a designated Roth account generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936," applies only if the deceased participant was born on or before January 1, 1936.

If you are a surviving spouse and receive a payment of non-Roth assets from the Plan, you have the same roll-in options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a roll-in 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 payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies), and required minimum distributions from your IRA do not have to start until after you are age 70½ (if you were born before July 1, 1949), age 72 (if you were born after June 30, 1949, and before January 1, 1951), age 73 (if you were born after December 31, 1950, and before January 1, 1960), or after age 75 (if you were born after December 31, 1959).

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 70½ (if they were born before July 1, 1949), age 72 (if they were born after June 30, 1949, and before January 1, 1951), age 73 (if they were born after December 31, 1950, and before January 1, 1960), or after age 75 (if they were born after December 31, 1959).

If you are a surviving spouse and receive a payment of Roth assets from the Plan, 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 roll-in to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so you will not have to receive any required

minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. You will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½ (if they were born before July 1, 1949), age 72 (if they were born after June 30, 1949, and before January 1, 1951), age 73 (if they were born after December 31, 1950, and before January 1, 1960), or after age 75 (if they were born after December 31, 1959).

If you are a surviving beneficiary other than a spouse and receive a payment of non-Roth assets from the Plan, the only roll-in option you have is to do a direct roll-in 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.

If you are a surviving beneficiary other than a spouse and receive a payment of Roth assets from the Plan, the only roll-in option you have is to do a direct roll-in to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under a QDRO. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment as described in this notice). However, 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 roll-in 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 roll-in), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other Special Rules

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

If your payments for the year (treating Roth and non-Roth assets separately) are less than \$200, the Plan is not required to allow you to do a direct roll-in and is not required to withhold federal income taxes. However, you can do a 60-day roll-in.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (treating Roth and non-Roth assets separately) will be directly rolled in to an IRA chosen by the Plan administrator or payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$7,000 (not including any amounts held under the plan as a result of a prior roll-in made to the plan).

You may have special roll-in rights if you recently served in the U.S. Armed Forces. For more information on special roll-in rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special roll-in rights if you were affected by a federally declared disaster (or similar event) or if you received a distribution on account of a disaster. For more information on special roll-in rights related to disaster relief, see the IRS website at www.irs.gov.

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.