

## Alternate Payee QDRO Distribution Request 401(k) Plan

Refer to the Alternate Payee QDRO Distribution Guide while completing this form. Use blue or black ink only.

Please note that this withdrawal request may be subject to an administrative review period prior to processing and the investments in your account will not be sold until the withdrawal is processed. The administrative review period may take several business days. Note that your investments may fluctuate with market performance so you may want to redirect or diversify those investments prior to making a withdrawal request. If you initiate a fund transfer during the administrative review period, it may delay the processing of your withdrawal. If you want to make changes to the investments in your account prior to withdrawal, please contact Service Provider or access your account online.

### I.B.E.W. Local 697 Defined Contribution Plan

330224-01

#### Alternate Payee Information

\_\_\_\_\_  
Last Name                      First Name                      MI  
*(The name provided MUST match the name on file with Service Provider.)*

\_\_\_\_\_  
Address - Number & Street on My Account  
\_\_\_\_\_  
City                                      State                      Zip Code

- I have confirmed the address on my account by accessing my account online at empowermymretirement.com. If the address on my account does not match the address provided above, there will be processing delays.
- **If I require an address change, I need to obtain and submit a Personal Information Change form found on the above website or I need to contact Service Provider at 1-833-569-2433.**

(     )                      (     )  
Home Phone                      Work Phone

\_\_\_\_\_  
Participant's U.S. Social Security/U.S. Taxpayer Identification Number

\_\_\_\_\_  
Spousal Alternate Payee's U.S. Social Security/  
U.S. Taxpayer Identification Number

\_\_\_\_\_  
Account Extension (if applicable)

\_\_\_\_\_  
E-Mail Address  
\_\_\_\_\_  
Mo     Day     Year  
Date of Birth (Required)



**Select One (Required):**

- I am a U.S. Citizen or U.S. Resident Alien.
- I am a Non-Resident Alien or Other. *(Complete 'Non-Resident Alien or Other Certification' section.)*

**Required - Provide Country of Residence:**  
\_\_\_\_\_

#### Distribution Method

Effective Date \_\_\_\_\_

Full Distribution of amount awarded under QDRO (Both Non-Roth and Roth money sources will be distributed, if applicable)

Partial Distribution of amount awarded under QDRO

Amount Non-Roth \$ \_\_\_\_\_

Net Amount

1st Contribution Source: \_\_\_\_\_

Amount Non-Roth \$ \_\_\_\_\_

Net Amount

2nd Contribution Source: \_\_\_\_\_

Amount Roth \$ \_\_\_\_\_

Net Amount

Contribution Source - Roth Deferral

Amount Roth \$ \_\_\_\_\_

Net Amount

Contribution Source - Roth Rollover

#### Payment Options

Payment to Self

Periodic Payment Options     Non-Roth     Roth

If both or neither Non-Roth and Roth money sources are selected above, we will debit the Non-Roth money source first.

If at any time a money source and/or investment option has been depleted, we will automatically prorate across all money sources and/or investment options.

Payment Start Date \_\_\_\_\_ Frequency:  Monthly     Quarterly     Semi-Annually     Annually

Payment of an Amount Certain \$ \_\_\_\_\_

Payment for a Period Certain (Years) \_\_\_\_\_

Interest Only Payments, converted to Required Minimum Distribution (RMD) at the applicable age - must have all fixed investment options (attach copy of birth certificate or driver's license)



Last Name

First Name

M.I.

U.S. Social Security Number

Number

**Distribution Delivery** **Check by United States Postal Service ("USPS") Regular Mail**

- Estimated delivery time is up to 5 business days.
- No additional charge.

 **Check by Express Delivery**

- Estimated delivery time is 1-2 business days.
- A non-refundable charge of up to \$30.00 will be deducted, in addition to any withdrawal fees, for each transaction.
  - For example, if you elected to make a full withdrawal and there are both Non-Roth and Roth money sources, there will be 2 different transactions and the Express delivery charge may total \$60.00.
- Not available for periodic payments.
- Available for delivery, Monday - Friday, with no signature required upon delivery.
- If address is a P.O. Box, check will be sent by USPS Priority Mail and estimated delivery time is 2-3 business days.

 **Direct Deposit via Automated Clearing House ("ACH")**

- **If you would like to have your proceeds sent through Direct Deposit via ACH, in addition to including the required documentation requested below, you must have your signature notarized in the 'Required Signature(s)' section of this form. If either the required documentation is not attached or your signature is not notarized, your proceeds will not be sent via ACH and a check will be mailed to the address on your account.**
- Estimated delivery time is 2-3 business days.
- A non-refundable charge of up to \$15.00 will be deducted, in addition to any withdrawal fees, for each transaction.
  - For example, if you elected to make a full withdrawal and there are both Non-Roth and Roth money sources, there will be 2 different transactions and the ACH delivery charge may total \$30.00.
- Not available for Direct Rollovers.
- Available for periodic payments at no charge.
- If Alternate Payee has requested a periodic payment and the payment start date does not allow for the 10 day pre-notification process, Alternate Payee understands that the first payment will be sent by check to the address on your account.
- **The name on my checking/savings account MUST match the name on your account with Service Provider.**
- **If the Direct Deposit information is incomplete or illegible, then a check will be mailed to the address on your account to avoid any delays in processing.**
- **By entering banking information, you authorize us to access records from public and proprietary sources in order to validate that you are the owner of the bank account. This process will not affect your credit.**

Checking Account - ***MUST* include a copy of a preprinted voided check** for the receiving account. You may also attach a letter on financial institution letterhead, signed by a representative from the receiving institution, which includes your name, checking account number and ABA routing number.

Savings Account - ***MUST* include a letter on financial institution letterhead signed by a representative** from the receiving institution, which includes your name, savings account number and ABA routing number.

An ACH request **cannot** be sent to a prepaid debit card, business account or other retirement Plan. By requesting the withdrawal via ACH deposit, you certify, represent and warrant that the account requested for an ACH deposit is established at a financial institution or a branch of a financial institution located within the United States and there are no standing orders to forward any portion of the ACH deposit to an account that exists at a financial institution or a branch of a financial institution in another country. You understand that it is your obligation to request a stop to this ACH deposit request if an order to transfer any portion of payments to a financial institution or a branch of a financial institution outside the United States will be implemented in the future. Service Provider reserves the right to reject the ACH request and deliver any payment via check in lieu of direct deposit.

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
First Name

\_\_\_\_\_  
M.I.

\_\_\_\_\_  
U.S. Social Security Number

\_\_\_\_\_  
Number

**Non-Resident Alien or Other Certification** *(Only complete if you indicated you are a Non-Resident Alien or Other on the first page of this form.)*

**Do not complete if U.S. Citizen or U.S. Resident Alien was indicated on the first page of this form.**

Under penalty of perjury, if you checked Non-Resident Alien or Other on the first page of this form, your signature certifies that:

- You are the individual that is the beneficial owner of all the income to which this form relates or you are using this form to document yourself for chapter 4 purposes.
- You are not a U.S. person.
- The income to which this form relates is:
  - a. not effectively connected with the conduct of a trade or business in the United States,
  - b. effectively connected but is not subject to tax under applicable income tax treaty, or
  - c. the partner's share of a partnership's effectively connected income.
- You are a resident of the treaty country listed below under "Claim of Tax Treaty Benefits" (if any) within the meaning of the income tax treaty between the United States and that country.
- You agree that you will submit a Form W8-BEN within 30 days if any certification made on this form becomes incorrect.

**Identification of Beneficial Owner**

\_\_\_\_\_  
Country of citizenship

\_\_\_\_\_  
Foreign tax identifying number

\_\_\_\_\_  
Permanent resident address *(street, apt. or suite no., or rural route)* **Do not use P.O. Box or in-care of address.**

\_\_\_\_\_  
City or town, state or province. Include postal code where appropriate.

\_\_\_\_\_  
Country

\_\_\_\_\_  
Mailing Address *(if different from above)*

\_\_\_\_\_  
City or town, state or province. Include postal code where appropriate.

\_\_\_\_\_  
Country

**Claim of Tax Treaty Benefits** *(for chapter 3 purpose only)*

You certify that the beneficial owner is a resident of \_\_\_\_\_ within the meaning of the income tax treaty between the United States and that country.

**Special rates and conditions** (if applicable): The beneficial owner is claiming the provisions of Article and paragraph \_\_\_\_\_ of the treaty identified on the line above to claim a \_\_\_% rate of withholding on (specific type of income):

\_\_\_\_\_  
Explain the additional conditions in the Article and paragraph the beneficial owner meets to be eligible for the rate of withholding:

Last Name

First Name

M.I.

U.S. Social Security Number

Number

## Federal and State Income Tax Withholding

**Federal Income Tax** - You should refer to and **read the attached 402(f) Notice of Special Tax Rules on Distributions and the Guide**. Direct rollovers are available for spousal Alternate Payees only. No federal income tax will be withheld from direct rollovers.

### Periodic installment payments lasting longer than 10 years:

For your federal income tax withholding election, unless you elect out of withholding below, or otherwise complete the IRS Form W-4P (please go to [irs.gov](http://irs.gov) and enter *Form W-4P* into the search bar or call 1-800-TAX-FORM (829-3676)), federal income tax will be withheld as if you are single with no adjustments. If you choose to make an alternate income tax withholding election, then you must complete and attach the IRS Form W-4P to this Withdrawal Form.

I elect not to have federal income tax withheld (must have U.S. residence address on file).

I understand that I am still liable for the payment of federal income tax on the taxable amount. I also understand that I may be subject to tax penalties under the estimated tax payment rules if my payments of estimated tax and withholding, if any, are not adequate.

### Non-periodic installment payment, Rollover eligible payments or periodic installment payments that are scheduled for less than 10 years:

For your federal income tax withholding election, unless you elect out of withholding below, or otherwise complete the IRS Form W-4R (please go to [irs.gov](http://irs.gov) and enter *Form W-4R* into the search bar or call 1-800-TAX-FORM (829-3676)), federal income tax will be withheld at a rate of 10% for non-periodic installment distributions. For an eligible rollover distribution, the default withholding rate is 20%. For eligible rollover distributions, **you are not allowed to opt-out of withholding**, but you may choose a rate greater than 20% by completing Form W-4R. If you choose to make an alternate income tax withholding election, then you must complete and attach Form W-4R to this Withdrawal Form.

I elect not to have federal income tax withheld (NOT AVAILABLE FOR ROLLOVER ELIGIBLE DISTRIBUTIONS, and you must have U.S. residence address on file).

I understand that I am still liable for the payment of federal income tax on the taxable amount. I also understand that I may be subject to tax penalties under the estimated tax payment rules if my payments of estimated tax and withholding, if any, are not adequate.

**State Income Tax** - Alternate payee should refer to information from the Department of Revenue for their state of residence. If applicable, **Alternate Payee must attach their State Income Tax withholding form to make tax elections when required**. In the event this form is required for Alternate Payee's withdrawal and not submitted, Service Provider will withhold in accordance with applicable State regulations.

State Income Tax withholding is mandatory in some states and will be withheld regardless of any election below. Indicate if you would like **additional** State Income Tax withholding:

\$ \_\_\_\_\_ or \_\_\_\_\_%

(This is in addition to any mandatory State Income Tax withheld based on the reason and type of withdrawal.)

Certain states allow an election for no State Income Tax withholding depending on the reason and type of withdrawal Alternate Payee has selected. For these states only, State Income Tax will be withheld unless elected otherwise below.

If the checkbox is not marked below, Alternate Payee chooses to have State Income Tax withheld from the withdrawal. Indicate if you would also like to have **additional** State Income Tax withholding:

\$ \_\_\_\_\_ or \_\_\_\_\_%

(This is in addition to any elective State Income Tax withheld based on the reason and type of withdrawal.)

Do not withhold State Income Tax (if election is permitted and Alternate Payee has attached the proper election form if required by their state).

Certain states do not require mandatory State Income Tax withholding but allow to elect State Income Tax withholding depending on the reason and type of withdrawal selected.

Indicate if you would like State Income Tax withheld - **Optional** State Income Tax withholding:

\$ \_\_\_\_\_ or \_\_\_\_\_%

(If this optional income tax election is permitted. Alternate Payee has also attached proper income tax election form if required by their state to elect this optional withholding.)

\_\_\_\_\_  
Last Name

\_\_\_\_\_  
First Name

\_\_\_\_\_  
M.I.

\_\_\_\_\_  
U.S. Social Security Number

\_\_\_\_\_  
Number

**Required Signature(s)**

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 401(k) Alternate Payee QDRO Distribution Request form, the Alternate Payee QDRO Distribution Guide and the 402(f) Notice of Special Tax Rules on Distributions and affirms that all information that I have provided is true and correct. I understand that any election for a 100% withdrawal reflected on this distribution form is effective for 180 days and also applies to any additional contributions or other residual amounts made or credited to my account for 180 days, subsequent to this 100% distribution request. I acknowledge and consent to the Plan's subsequent distribution of any such residual amounts in accordance with this election. If my 100% withdrawal is delivered via ACH, any contributions or residual amounts made or credited to my account within the next 180 days will be delivered via ACH, otherwise, my residual withdrawal will be delivered via check by USPS regular mail. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information. I understand that it is entirely my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code and that the plan into which I am rolling money over will accept the direct rollover dollars, if applicable. 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 once my payment has been processed, it cannot be changed. In the event that any section of this form is incomplete or inaccurate, Service Provider may not process 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 understand that for at least 30 days after my receipt of the 402(f) Notice of Special Tax Rules on Distributions, I have the right to consider whether to consent to a distribution of the vested account balance or elect a direct rollover of any vested portion of the eligible rollover distribution. By signing this form less than 30 days after I received the 402(f) Notice of Special Tax Rules on Distributions, I affirmatively waive any unexpired portion of the 30 day period and affirmatively elect a distribution from the account pursuant to this Alternate Payee Distribution Request form.

Under penalty of perjury, I certify that the U.S. Social Security number I have provided on Page 1 is correct. I am a U.S. person if I marked the U.S. Citizen or U.S. Resident Alien box on Page 1 of this form.

**Additional authentication may be necessary before my distribution is processed and/or payment released.**

**For a periodic payment request, I understand that the following fee(s) will be assessed:**

- **One-time \$100.00 set-up fee**

**My distribution may be subject to additional fees and/or loss of interest based upon my investment options, my length of time in the Plan and other possible considerations. If I have not been advised of the fees and risks associated with my distribution, I may contact Service Provider for a distribution quote at 1-833-569-2433.**

\_\_\_\_\_  
Alternate Payee Signature

\_\_\_\_\_  
Date (Required)

*A handwritten signature is required on this form. An electronic signature will not be accepted and will result in a significant delay.*

**Alternate Payee Signature Notarization** only required if requesting:

**Direct Deposit via ACH**

*The date you sign this form on the Alternate Payee Signature line above, must match the date of the Notary Public signature on the separate jurat or notarial certificate or in the section below. If your notary completes a separate jurat or notarial certificate, you must still sign on the above signature line and enter the date on this form.*

**ATTENTION Notary Public: Make sure that you have reviewed the notary requirements for your state. If your state requires a separate jurat or notarial certificate, please complete and attach to this request.**

**We require that the following information must be included on the separate jurat or notarial certificate:** (1) name of document being notarized; (2) the plan name; (3) the plan number; and (4) participant's and alternate payee's names. Separate jurat or notarial certificates submitted that do not include this information will be rejected and will delay the withdrawal request. If your state does require a separate jurat or notarial certificate and you complete the section below, this statement of notary will be rejected and will delay the withdrawal request.

If your state does not require a separate jurat or notarial certificate, you may complete the notary section below.

**Statement of Notary**

**NOTE: Notary seal must be visible.**

This request was subscribed and sworn (or affirmed) to before me

State of \_\_\_\_\_)

on this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_, by

**SEAL**

)ss.

(name of Alternate Payee) \_\_\_\_\_

County/Parish/Borough

proved to me on the basis of satisfactory evidence to be the person

of \_\_\_\_\_)

who appeared before me.

Notary Public's signature \_\_\_\_\_ My commission expires \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

*A handwritten signature is required on this form. An electronic signature will not be accepted and will result in a significant delay.*

Notary Public's full name \_\_\_\_\_ Telephone number \_\_\_\_\_

Last Name

First Name

M.I.

U.S. Social Security Number

Number

**Authorized Plan Administrator Signature**

This request is in compliance with applicable Plan provisions and federal law and the alternate payee has received from me any notices required by law. I authorize processing of the alternate payee distribution pursuant to the attached QDRO, or previously established alternate payee account, if applicable. If Service Provider does not have sufficient information to calculate the alternate payee's award or to otherwise process this request, I understand that I may be requested to provide additional information to Service Provider before this distribution can be processed.

I certify that the recordkeeping system has the accurate vesting percentage, if applicable.

OR

I certify that the accurate vesting percentage for each money source is listed below:

ERO 1 - PROFIT SHARING	100 %
ERO 2 - MONEY PURCHASE PLAN	100 %
SHN 1 - SAFE HARBOR ER CONTRIBUTION	100 %

Please use this when processing the distribution, if applicable.

**Note:** Please be advised that balances may not exist in all money sources listed above. Additionally, all money sources may not be available.

I represent that I am an authorized signer on behalf of the above-named plan and have an authority to instruct Service Provider to process this form.

\_\_\_\_\_  
**Authorized Plan Administrator Signature**

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

*A handwritten signature is required on this form. An electronic signature will not be accepted and will result in a significant delay.*

\_\_\_\_\_  
**Print Full Name**

**Alternate Payee** forward to Plan Administrator

**Plan Administrator** forward to Service Provider at:

IBEW Local 697 Fund Office  
 7200 Mississippi Street, Suite 300  
 Merrillville, IN 46410

**Express Address:**

7200 Mississippi Street, Suite 300  
 Merrillville, IN 46410

**Phone#:** 1-219-940-6181

**Website:** empowermyretirement.com

We will not accept hand delivered forms at Express Mail addresses.

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# ALTERNATE PAYEE QDRO DISTRIBUTION GUIDE

## 401(k) Plan

This Guide will assist you in completing the Alternate Payee QDRO Distribution Request form (the "Form") for 401(k) plans. You should read all pages of this Guide before you begin to complete the Form. The Guide will assist you in completing each section of the Form and give you the information you need to make informed decisions regarding your distribution. If you need further clarification about the information discussed in this Guide, call a representative at your local Service Provider. You can also call 1-833-569-2433 to speak with a service representative.

You are strongly urged to consult with an accountant and/or tax advisor in the preparation of your Form. While our representatives are able to explain the options to you, they cannot tell you which distribution method is best for you. Your local representative or any Service Provider representative will not provide tax or legal advice. Additionally, neither this Guide nor the Form represents tax or legal advice.

Please note that Empower ("Service Provider") cannot release your funds until Service Provider receives a domestic relations order determined to be qualified under the applicable provisions of the Internal Revenue Code (the "Code"), any applicable regulations, and the Plan. Any distribution request that is determined to be inconsistent with your qualified domestic relations order will not be processed and your Form will be returned to you.

**The Form** - The Form is divided into several sections, with each section requiring you to provide information or make an election regarding your distribution.

The sections on the Form are:

- Alternate Payee Information
- Distribution Method
- Distribution Delivery
- Federal and State Income Tax Withholding
- Required Signature(s)

**Note: If your qualified domestic relations order pertains to more than one account or plan number, you must complete a separate Form for each account or plan number.**

**Incomplete or Inaccurate Information** - In the event that any section of the Form is incomplete or inaccurate, Service Provider may not be able to process the transaction requested on the Form. You may be required to complete a new Form or provide additional or proper information before transaction will be processed.

**Changes to Your Request** - If you make a change to the 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 Form may be returned to you for verification.

## **The Form**

Note: Please use blue or black ink when completing the Alternate Payee QDRO Distribution Request form.

### **Alternate Payee Information**

**Last Name, First Name, MI** - Your full name is required in order to properly identify your account.

#### **Address - Number & Street**

**City, State, Zip Code** - If you fill in an address other than the address on the record keeping system, your distribution will be sent to you in accordance with the information you provide on the Form.

**Home Phone, Work Phone** - This information will allow Service Provider to contact you in the event that your request is not properly completed.

**U.S. Social Security Number** - If you are a spousal alternate payee and a separate account has not been established in your name, provide both your U.S. Social Security number and the participant's U.S. Social Security number. If you are a non-spousal alternate payee, provide the participant's U.S. Social Security number. This information is required to properly identify your accounts and report withholding information to the Internal Revenue Service.

**Account Extension** - You must provide the account extension that identifies the assets awarded to you through a divorce. Not applicable for non-spousal alternate payees.

**E-Mail Address** - Your e-mail address is optional. If you choose to provide Service Provider with this information, it will be kept confidential.

**Date of Birth** - Your date of birth is required to properly process your distribution request.

**Are You a U.S. Citizen or U.S. Resident Alien?** - Your citizenship status is required to properly tax report your distribution. If you are not a U.S. citizen or U.S. resident alien, please provide your country of residency. Also see the section below titled "**Income Tax Withholding for a Non-U.S. Person**" for additional documentation requirements.

### **Distribution Method**

There are several distribution methods that you may choose from on the Form. Depending on the type of distribution you are requesting, you may need to check more than one box in this section. For example, if you are requesting a rollover of your entire account balance to an IRA, you will check the Full Distribution box and the Direct Rollover box.

**Effective Date** - Your effective date of distribution will be the later of the date you select as your effective date and the date Service Provider receives a properly completed Form and qualified domestic relations order with your Plan's approval, if applicable.

**Full Distribution** - Check this box if you want a full distribution of the amount you are entitled to receive in accordance with the terms of your qualified domestic relations order.

**Partial Distribution** - Check this box if you want a partial distribution. Indicate the amount of the partial distribution on the line provided, and select whether the amount of the partial distribution you requested is a gross amount (federal and/or state income tax withholding will be taken from this amount), or a net amount (the partial distribution from your account will be increased by the amount of federal and/or state income tax withheld). Your distribution will be prorated against all available contribution sources.



**Payment to Self** - By selecting this box, you are requesting that the distribution be paid to you directly.

**Periodic Payment** - There are different periodic payment options from which you may choose. You must also select a payment start date and Non-Roth and/or Roth money sources. The payment start date is the date the funds will be distributed from your account. You can choose any day of the month with the exception of the 29th, 30th or 31st. You must also select the frequency of your payment - monthly, quarterly, semi-annually or annually. Allow approximately 5 - 10 business days from your payment start date to receive your distribution. If both or neither Non-Roth and Roth money sources are selected, we will debit the Non-Roth money sources first.

**The Periodic Payment Options Are as Follows:**

1. Payment of an Amount Certain - Designate the dollar amount you wish to receive on a regular installment basis (monthly, quarterly, semi-annually or annually). Your payments will continue until your account balance is zero. The number of payments you receive will vary depending on the performance of the underlying investment options.
2. Payment for a Period Certain (Years) - You will receive payments on a regular installment 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 periodic basis that you choose, and the performance of the underlying 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 amount you are entitled to receive under your qualified domestic relations order. The second payment will be 1/47 of the amount you are entitled to receive, 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 typically differs. The payment amount will vary depending on the performance of the underlying investment options. Your balance will be zero by the end of the term you select.

3. Interest Only Payments - If you choose this periodic payment option, you must have your entire account balance invested in one or more fixed investment options. Your payment will vary depending on the type of fixed investment option in which you are invested and the performance of that option. Your payment will continue until the participant attains the applicable age, at which point your periodic payment option will automatically convert to the required minimum distribution and distributions will be made at the same frequency as your interest only payments were made.

**Annuity Purchase With Annuity Provider** - If you have elected a payment in the form of an annuity, a letter of acceptance from the new provider must be attached. The letter of acceptance must be signed by the new provider and must indicate that the funds will be accepted for deposit on behalf of the participant. The acceptance letter must indicate the type of annuity being purchased and acknowledge if it is a qualified annuity per the terms of your retirement plan. The new provider will be responsible for the tax reporting of this distribution and must acknowledge this in the acceptance letter. You will not receive a tax form from Service Provider. The distribution check will be made payable to the annuity provider.

**Direct Rollover (Available for spousal alternate payees only)**

**Direct Rollover to an Eligible Plan, Traditional IRA or Roth IRA** - Before you request a direct rollover to an eligible plan or IRA, you must first determine whether your new plan or IRA accepts eligible rollover distributions. Direct rollovers are available to spousal alternate payees only.

Beginning in the later of the year that the participant attains required minimum distribution (RMD) age or the year during which he/she severs employment, you may not roll over that portion of a distribution equal to your required minimum distribution amount. If you elect a distribution in the form of an annuity, as of January 1 of the calendar year in which the participant attains RMD age, the IRS will treat the entire portion of each and every annuity payment as a required minimum distribution. Therefore, the entire amount of each annuity payment is not eligible for rollover. If you are due an RMD, it will be calculated and paid to you before the rollover is processed. IRS rules for Required Minimum Distributions, along with frequently asked questions, can be found on the IRS website at [irs.gov](http://irs.gov). Once you are on the site, enter *Required Minimum Distribution* in the search bar. Please consult with your tax advisor for an explanation of the different minimum distribution rules.

**Non-Roth** - If you are requesting a direct rollover, an eligible rollover distribution is made payable to your new employer's Code section 401(a), 401(k), 403(b) or Governmental 457(b) Plan, a Traditional IRA or to a Roth IRA. An eligible rollover distribution of your Non-Roth assets may be paid directly to a Roth IRA. Your rollover distribution to a Roth IRA will not be subject to mandatory federal income tax withholding. However, this distribution is subject to federal and state income tax and you are responsible for making tax payments. The taxable distribution will be reported on IRS Form 1099-R. Making an estimated tax payment to the IRS and an appropriate state authority at the time of your rollover may be one of the options to cover this tax liability. Please consult with your tax advisor.

After-tax contributions in a 401(a)(k) plan may be rolled into another 401(a)(k) plan or IRA. After-tax contributions in a 401(a)(k) plan, however, may not be rolled over to a governmental 457(b) or 403(b) plan. If you have after-tax contributions in your account and you elect a direct rollover, the cost basis of the after-tax contribution will be distributed to you and the investment earnings on the after-tax contributions will be included in the rollover amount.

If you have after-tax assets and would like to direct your after-tax contributions to a Rollover payee other than the one listed, you must attach a letter of instruction listing the name of the Company or Trustee and account number and must include the type of payee, your name, social security number, signature and date.

**Roth** - If you are requesting a direct rollover, an eligible rollover distribution is made payable to your new employer's Code section 401(k), 403(b) or Governmental 457(b) Plan. Prior to submitting a direct rollover request, you need to verify that a 401(k), 403(b) or Governmental 457(b) Plan provides for a designated Roth account and can accept Roth rollovers. You may also roll over your designated Roth assets to a Roth IRA.

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.

If you would like to direct Roth earnings to a Rollover payee other than the one listed, you must attach a letter of instruction listing the same information that is required in this section and must include the type of payee, your name, social security number, signature and date.

Provide the company name and account number for your direct rollover. If you also attach a letter from your new investment provider and there is an inconsistency between information contained in the letter of acceptance and the information you provide on the Distribution Form, your request may not be processed or you may be required to provide additional clarifying information. Once Service Provider has processed a direct rollover, it cannot be returned.

**Distribution Delivery**

The delivery of your distribution may depend on the distribution method that you elected on the Form. Certain delivery options are not available on all types of distributions. Below is a description of each delivery option.

**Check by United States Postal Service ("USPS") Regular Mail** - You can receive your distribution by check regardless of the distribution method you selected on the Form. Estimated delivery time is up to 5 business days. There is no additional charge for this option.

**Check By Express Delivery** - Estimated delivery time is 1-2 business days. A non-refundable charge of up to \$30.00 will be deducted, in addition to any distribution fees, for each transaction. For example, if you elected to make a full withdrawal and there are both Non-Roth and Roth money sources, there will be 2 different transactions and the Express delivery charges may total \$60.00. This option is not available for periodic payments. If the address is a P.O. Box, the check will be sent by USPS Priority Mail and estimated delivery time is 2-3 business days. Express delivery may not be available in all areas.

**Direct Deposit via Automated Clearing House ("ACH")** - Check this box and complete this section only if you want your periodic payments or one-time full/partial distribution payment to self to be electronically deposited into your checking or savings account. You may not designate a business account or an IRA. Estimated delivery time is 2-3 business days. A non-refundable charge of up to \$15.00 will be deducted, in addition to any distribution fees, for each transaction. For example, if Claimant elected to make a full withdrawal and there are both Non-Roth and Roth money sources, there will be 2 different transactions and the ACH delivery charges may total \$30.00. This option is available for periodic payments at no charge. If you have requested a periodic payment and the payment start date does not allow for the 10 day pre-notification process, the first payment will be sent by check to your address on your account. For deposit into your checking account, you **MUST** attach a preprinted voided check. You may also attach a signed letter on financial institutional letterhead, signed by a representative of the receiving institution which indicates your name, checking account number and ABA routing number. For deposit into your savings account, you **MUST** attach a letter on financial institution letterhead signed by a representative from the financial institution, which indicates your name, savings account number and ABA routing number.

### **General ACH Information**

By choosing an ACH credit to your financial institution account, you are authorizing Service Provider to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to your checking or savings account. You are also authorizing your financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account. Service Provider will make payments in accordance with the directions you have specified on the Form until such time that you notify Service Provider in writing that you wish to cancel the ACH agreement. You must provide notice of cancellation at least 30 days prior to a payment date for the cancellation to be effective with respect to all of your subsequent payments.

Service Provider reserves the right to terminate the ACH transfers for any reason and will notify you in the event of such termination by sending notice to your last known address on file with Service Provider.

It is your obligation to notify Service Provider of any address or other changes affecting your electronic fund transfers during your lifetime. You are solely responsible for any consequences and/or liabilities that may arise out of your failure to provide such notification.

By selecting an ACH method of delivery, you acknowledge that Service Provider is not liable for payments made by Service Provider in accordance with a properly completed Form. By selecting this method of distribution delivery, you are authorizing and directing your financial institution not to hold any overpayments made by Service Provider on your behalf, or on behalf of your estate or any current or future joint accountholder, if applicable.

### **ACH for Periodic Payments Only**

ACH is a form of electronic funds transfer by which Service Provider can transfer your payments directly to your financial institution. Allow at least 15 days from the date Service Provider receives your properly completed Form to begin using ACH for your payments. Upon receipt of a properly completed Form, Service Provider will notify your financial institution of your ACH request with the account information you have provided. The pre-notification process takes approximately 10 days. During the pre-notification process, your financial institution will confirm with Service Provider that the account and routing information you submitted is correct and that it will accept the ACH transfer. After this confirmation is received, the payments will be transferred to your financial institution within 2 days of the first payment date. For periodic payments only: If your payment start date does not allow for the 10 day pre-notification process, your first payment will be sent by check to your address of record. If your payments are withdrawn from investments that are subject to time delays upon withdrawal, the deposit to your financial institution may be delayed accordingly. In the event of a change to your periodic payments, your electronic funds transfer may be subject to a delay, and a check will be sent to your last known address on file with Service Provider.

If your financial institution rejects the pre-notification, you will be notified and your checks will be mailed to you until you submit an Electronic Funds Transfer (ACH) form. As a result, it is important that you continue to notify Service Provider in writing of any changes to your mailing address.

### **Federal and State Income Tax Withholding**

**Federal Income Tax** - Direct rollovers are available for spousal Alternate Payees only. No federal income tax will be withheld from direct rollovers.

#### **Periodic installment payments lasting longer than 10 years:**

For your federal income tax withholding election, unless you elect out of withholding, or otherwise complete the IRS Form W-4P (please go to [irs.gov](http://irs.gov) and enter *Form W-4P* into the search bar or call 1-800-TAX-FORM (829-3676)), federal income tax will be withheld as if you are single with no adjustments. If you choose to make an alternate income tax withholding election, then you must complete and attach the IRS Form W-4P to this Withdrawal Form.

I understand that I am still liable for the payment of federal income tax on the taxable amount. I also understand that I may be subject to tax penalties under the estimated tax payment rules if my payments of estimated tax and withholding, if any, are not adequate.

#### **Non-periodic installment payment, Rollover eligible payments or periodic installment payments that are scheduled for less than 10 years:**

For your federal income tax withholding election, unless you elect out of withholding, or otherwise complete the IRS Form W-4R (please go to [irs.gov](http://irs.gov) and enter *Form W-4R* into the search bar or call 1-800-TAX-FORM (829-3676)), federal income tax will be withheld at a rate of 10% for non-periodic installment distributions. For an eligible rollover distribution, the default withholding rate is 20%. For eligible rollover distributions, **you are not allowed to opt-out of withholding**, but you may choose a rate greater than 20% by completing Form W-4R. If you choose to make an alternate income tax withholding election, then you must complete and attach Form W-4R to this Withdrawal Form..

I understand that I am still liable for the payment of federal income tax on the taxable amount. I also understand that I may be subject to tax penalties under the estimated tax payment rules if my payments of estimated tax and withholding, if any, are not adequate.

Rollovers of Non-Roth assets to a Roth IRA are tax reportable transactions.

**Direct Rollover** - Eligible rollover distributions that are directly rolled over are not subject to mandatory federal income tax withholding. Please note, an amount of Non-Roth assets rolled over to a Roth IRA is subject to federal and state income tax and will be reported as taxable income to you. You are responsible for paying any income tax due on this distribution.

**State Income Tax** - For all Alternate Payees, if Alternate Payee (or the participant in case of a non-spousal Alternate Payee) lives in a state that mandates state income tax withholding, it will be withheld. If Alternate Payee wishes to have additional state income tax withheld or if Alternate Payee (or the participant in case of a non-spousal Alternate Payee) lives in a state that does not mandate state income tax withholding, Alternate Payee may elect to have an additional amount withheld. Check the appropriate box on the Form.

**For more information and applicable forms or documentation that may be required for the state of residence**, refer to the appropriate state tax authority.

**Income Tax Withholding Applicable to Payments Delivered Outside the U.S.**

If you are a U.S. citizen or U.S. resident alien and your payment is to be delivered outside the U.S. or its possessions, you may not elect out of federal income tax withholding.

**Income Tax Withholding for a Non-U.S. Person**

If you are a non-resident alien, you must complete the 'Non-Resident Alien or Other Certification' section of this form. In general, the withholding rate applicable to the payments is 30% unless a reduced rate applies because your country of residence entered into a tax treaty with the U.S. and the treaty provides for a reduced withholding rate or an exemption from withholding. In order to claim a treaty rate, you must complete the appropriate fields, tax treaty section, if applicable, and provide a U.S. Taxpayer Identification number. I may call 1-800-TAX-FORM (829-3676) or visit [irs.gov](http://irs.gov) for further information.

Contact your tax professional for more information.

**Required Signature(s)**

You must sign and date your Form. Read the disclosure on the Form in this section before signing. Once you sign the Form, you attest to receiving, reading, understanding and agreeing to all provisions of the Form, the Guide and the 402(f) Notice of Special Tax Rules on Distributions.

The authorized Plan Administrator signature and completed vesting information are also required. Your distribution request will not be processed without the authorized Plan Administrator signature.

*Handwritten signatures are required on this form. Electronic signatures will not be accepted and will result in a significant delay.*

**Submitting the Form**

Once you have completed the Form, forward it to the address indicated on the last page of the Form in the Required Signature(s) section.

We will not accept hand delivered forms at Express Mail addresses.

**Important Note**

Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state, and local tax laws may be revised and new plan provisions may be adopted by your Plan. For the most up to date version of this Guide, please visit the website at [empowermyretirement.com](http://empowermyretirement.com) or call the Voice Response System at 1-833-569-2433.

Access to the Voice Response System or the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

For more information about available investment options, including fees and expenses, you may obtain applicable prospectuses and/or disclosure documents from your registered representative. Read them carefully before investing.

## **402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS**

For Payments Not From a Designated Roth Account

### **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from I.B.E.W. Local 697 Defined Contribution Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

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

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

### **GENERAL INFORMATION ABOUT ROLLOVERS**

#### **How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 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 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 to the 10% additional income tax applies).

#### **What types of retirement accounts and plans may accept my rollover?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs are not subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

#### **How do I do a rollover?**

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

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

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

#### **How much may I roll over?**

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70½ (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), or after death;
- Hardship distributions;
- Payments of employee stock ownership plan (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); and
- Distributions of certain premiums for health and accident insurance. The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

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

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax 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 over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments from a governmental 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 from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- 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 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 requested to be withdrawn within 90 days of the first contribution;
- Payments of up to \$22,000 made in connection with federally-declared disasters;
- Phased retirement payment made to federal employees;
- Payments for emergency personal expenses, up to the lesser of (1) \$1,000, or (2) the excess of your vested benefit over \$1,000; and
- Payments to domestic abuse victims, up to the lesser of (1) \$10,000 (or such higher amount the IRS announces for years after 2024), or (2) 50% of your vested benefit.

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

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- 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 qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse); and

- 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.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase;
- 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
- 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.

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

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

### **SPECIAL RULES AND OPTIONS**

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

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

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs).

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

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

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

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

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover 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 your payment includes employer stock that you do not roll over**

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

the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or, generally, the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

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

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the 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. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over 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).

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 rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

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

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

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

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

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

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

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

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

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 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 to a designated Roth account in the Plan**

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

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). With respect to taxable years beginning after 2023, 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 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 deceased participant was born on or before January 1, 1936.

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 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), or after age 73 (if you were born after December 31, 1950, and before January 1, 1960).

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 participant was born before July 1, 1949), age 72 (if participant was born after June 30, 1949, and before January 1, 1951), or age 73 (if the participant was born after December 31, 1950, and before January 1, 1960).

**If you are a surviving beneficiary other than a spouse.** If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10%

additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a QDRO. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). 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 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 federal income taxes. However, you may do a 60-day rollover. Unless you elect otherwise, a mandatory cash-out 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. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$7,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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

**Postponement of Distribution Notice**

Generally, if your vested benefit exceeds \$7,000.00, you have the right to defer distribution of your vested account balance from the Plan. If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the Plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of the distribution if you do not rollover your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly or you may receive your distribution and roll it over within 60 days to avoid current taxation and to continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar

terms outside the Plan. Fees and expenses (including administrative or investment related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses, and currently available Plan investment options, including investment related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Plan's Summary Plan Description, including the sections on timing of distributions and available distributions.

**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](http://www.irs.gov), or by calling 1-800-TAX-FORM.

## **402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS**

For Payments From a Designated Roth Account

### **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the I.B.E.W. Local 697 Defined Contribution Plan (the "Plan") is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

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

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

### **GENERAL INFORMATION ABOUT ROLLOVERS**

#### **How can a rollover affect my taxes?**

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

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 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.

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 separate from the rest of your designated Roth account.

#### **What types of retirement account and plans may accept my rollover?**

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

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you 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 either do a direct rollover or a 60-day rollover.

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

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

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

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

#### **How much may I roll over?**

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions;
- Hardship distributions;
- Payments of employee stock ownership plan (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 generally will be adverse tax consequences if S corporation stock is held by an IRA); and
- Distributions of certain premiums for health and accident insurance.

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 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 over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or 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 from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- 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 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 requested to be withdrawn within 90 days of the first contribution;
- Payments of up to \$22,000 made in connection with federally-declared disasters;
- Payments for emergency personal expenses, up to the lesser of (1) \$1,000, or (2) the excess of your vested benefit over \$1,000; and
- Payments to domestic abuse victims, up to the lesser of (1) \$10,000 (or such higher amount the IRS announces for years after 2024), or (2) 50% of your vested benefit.

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

If you receive a payment from a Roth IRA when you are under age 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 Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- The exceptions for payment 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 qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse); and
- 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.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to \$10,000 used in a qualified first-time home purchase;
- 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
- 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.

**Will I owe State income taxes?**

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

**SPECIAL RULES AND OPTIONS**

**If 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover 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 your payment includes employer stock that you do not roll over**

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 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 to a Roth IRA for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or, generally, the Plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

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

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the 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 rollover all or any portion of the offset amount. If the distribution attributable to the offset is not a qualified distribution and you do not roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may rollover the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA.

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 rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as failure to make level repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

**If you receive a nonqualified distribution and you were born on or before January 1, 1936**

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

**If 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 receive a payment that is not a qualified distribution and you do not roll it over, 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 over, 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 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). Other differences include 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 receive a nonqualified distribution, 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 nonqualified 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 are not a Plan participant**

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

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

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 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 participant was born before July 1, 1949), age 72 (if participant was born after June 30, 1949 and before January 1, 1951), or age 73 (if the participant was born after December 31, 1950, and before January 1, 1960).

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

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

**If you are a nonresident alien**

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

**Other special rules**

If a payment is one in a series of payments for less than 10 years, your choice whether to 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 (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 federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cash-out 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. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$7,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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

**Postponement of Distribution Notice**

Generally, if your vested benefit exceeds \$7,000.00, you have the right to defer distribution of your vested account balance from the Plan. If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the Plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of the distribution if you do not rollover your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly or you may receive your distribution and roll it over within 60 days to avoid current taxation and to continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses, and currently available Plan investment options, including investment related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Plan's Summary Plan Description, including the sections on timing of distributions and available distributions.

**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](http://www.irs.gov), or by calling 1-800-TAX-FORM.