



# Participant Instructions

*How to complete the Request for Settlement of Account Form*

A participant in the APPLE plan must meet one of the following conditions to qualify for a distribution:

1. Termination of employment
2. Retirement
3. Permanent Disability
4. Death
5. Change in employment status

Distributions from the APPLE plan will be processed monthly, according to the following processing dates:

Deadline for MidAmerica to receive RSA	Must be terminated or had status change by:	Checks will be issued on:
1/31	12/15	3/20
2/28	1/15	4/20
3/31	2/15	5/20
4/30	3/15	6/20
5/31	4/15	7/20
6/30	5/15	8/20
7/31	6/15	9/20
8/31	7/15	10/20
9/30	8/15	11/20
10/31	9/15	12/20
11/30	10/15	1/20
12/31	11/15	2/20

To withdraw funds from the APPLE plan, please follow each of the steps below:

- I. **All participants requesting a distribution must complete a “Request for Settlement of Account Form” (RSA). You may obtain a copy of this form by calling (800) 634-1178 or downloading it from [www.keenan.com](http://www.keenan.com).**
  - a. Fill in your name, current address, daytime and evening phone numbers, your Social Security number, and your date of birth. If the name on the form is different from the name we have in our records, please provide proof of your name change (i.e., copy of your Social Security card) so that we may update our records and process your request.
  - b. Check the payment option you wish to elect under the section titled Account Settlement Election. **Note:** if you are transferring to PERS or STRS and you have Money Purchase Plan (MPP) funds, your MPP funds are not available for this type of distribution. IRS rules require that Money Purchase Plan (MPP) funds will not be available for distribution until you have **terminated** working for the plan sponsor **in any capacity** or reached age 70 ½. To determine if you have Money Purchase Plan funds (MPP) please call customer service at (800) 634-1178 or visit the APPLE Plan Website. To access the APPLE Plan Website, go to [www.keenan.com](http://www.keenan.com), select Client Login, then Apple Plan.
  - c. To request the purchase of STRS or PERS service credits using your APPLE account balance, you must first obtain written approval directly from STRS or PERS. They will provide you with a letter specifying the approved dollar amount needed to process your purchase. Please contact your local STRS or PERS office and request a “cost information analysis” before submitting your distribution request paperwork to MidAmerica. Once you receive your STRS or PERS cost information analysis indicating the appropriate dollar amount required to process your purchase, please attach a copy of it to your signed and executed APPLE Plan **Request for Settlement of Account (RSA) Form** and submit both documents to MidAmerica for processing. Your request will be processed according to the approximate dates indicated in the **Distribution Processing Chart** above.
  - d. Sign and date the form at the bottom of the page in the space labeled Participant Signature. Participants should also check the appropriate reason for settlement and effective date of change.
- II. **If the distribution is due to the death of the participant, the beneficiary must include an actual certified copy of the death certificate with the complete “Request for Settlement of Account Form” (RSA).**

Mail the completed, signed Request for Settlement of Account Form, plus the certified copy of the death certificate and PERS or STRS cost information analysis letter, if applicable, to directly to MidAmerica Administrative & Retirement Solutions.

Attn: APPLE | PO Box 149, Lakeland, FL 33802-0149 | Email: [distributions@myMidAmerica.com](mailto:distributions@myMidAmerica.com) | Fax: (863) 688-4200

**Please note:** You must complete the W-9 form attached to the Request for Settlement of Account Form in order for your distribution to be processed.



# Request for Settlement of Account Form

Return this completed form to:  
 Mail: MidAmerica Administrative & Retirement Solutions,  
 Attn: APPLE, PO Box 149, Lakeland, FL 33802-0149  
 Email: [distributions@myMidAmerica.com](mailto:distributions@myMidAmerica.com) | Fax: (863) 688-4200

**PLEASE NOTE: You MUST complete the attached W-9 in order for your distribution to be processed.**

For assistance completing this form, please refer to the checklist on page 2.

## Your Information

Employer:	
Name of Participant:	
Current Mailing Address:	Social Security #:
City, State, Zip:	Date of Birth:
Email:	Phone #:
Beneficiary Name (if death claim):	Beneficiary Social Security#:

PLEASE NOTE: Only provide beneficiary information if requesting a distribution on behalf of a deceased participant. The Beneficiary MUST include a certified copy of the Death Certificate with the completed Distribution Election Form. The SSN and address must be provided to avoid tax withholding. (Spouses not rolling over distribution must have 20% withheld.)

## Determination of Eligibility

Termination of Employment  
  Retirement  
  Permanent Disability  
  Change in Active Employment Status

## Account Settlement Election

Note: 403(b) and 401(a) plans carry a possible 10% penalty at tax time if withdrawing funds before age 59 1/2 (exceptions apply if age 55 and retired). 457(b) plans do not carry an early withdrawal tax penalty.

1.  Distribute a check to me for the lump sum of my entire account balance (less Federal Income Tax withholding and state tax withholding from any excess amount over the RMD. In California, the state tax withheld is equal to 10% of the federal withholding on the distribution).
2.  Distribute a rollover of  (A) my entire benefit, or  (B) \$\_\_\_\_\_ (insert dollar amount of at least \$200) of my account balance to the IRA, 457 plan, annuity plan, or qualified plan designated in the Direct Rollover Information section of this form.  
 Please distribute any remaining portion of my benefit that is not transferred to the rollover plan, less income tax withholding, directly to me.
3.  Death distribution of entire account balance (less 10% Federal Income Tax withholding if made payable to the Estate of the Participant).  
 I do not want Federal Income Tax withheld.       I want to have Federal Income Tax withheld.
4.  Distribute the amount of \$\_\_\_\_\_ (insert dollar amount) to my state retirement system for the Purchase of Permissible Service Credits. Use the rollover information below to process my request.

## Direct Rollover Information

**Complete this section only if you checked options 2 or 4 of the Account Settlement Election section above.** (Check will be made payable to the IRA account, 457 plan, annuity plan, or qualified plan listed below). I represent that the IRA, 457 plan, annuity plan, or qualified plan designated below is a proper recipient plan for a direct rollover. Please note that your account is not eligible to be rolled into a Roth IRA. **(please print)**

Name of IRA, 457 Plan, Annuity Plan, or Qualified Plan	Account No.	Plan Type: (Check one)
Make Check Payable To:		<input type="checkbox"/> IRA
Name of Payee ("FBO" - For the Benefit Of)		<input type="checkbox"/> 403(b)
Address to Send Direct Rollover		<input type="checkbox"/> 457
City, State, Zip Code		<input type="checkbox"/> Other _____

## Acknowledgement and Authorization

I hereby request my APPLE Plan distribution be paid to me in accordance with my election above. I understand that distribution can only be made if I have terminated employment, retired, become permanently disabled, or changed my employment status to participate in PERS, STRS, or other public retirement plan. By signing below, I hereby acknowledge that I have received and read the "Special Tax Notice Regarding Plan Payments" provided to me. I understand that if I choose to roll over my distribution(s) to another Plan or account within 60 days of receipt of my distribution check, I will have to replace the withheld funds with my own out-of-pocket money or I may be required to pay income taxes on the 20% that was withheld. Additional information is contained on the Tax Information Notice immediately following this form. Upon receipt of my distribution, I release the Contract Administrator, Consultant, Trustee(s), Plan Sponsor, and Financial Institutions from and against any and all claims with respect to my interest in the APPLE Plan. I understand that the distribution will be based on the value of my account as of the last valuation date following my request for distribution.

Participant Signature \_\_\_\_\_ Date \_\_\_\_\_

# Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

▶ Go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9) for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.		
	2 Business name/disregarded entity name, if different from above		
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only <b>one</b> of the following seven boxes.		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  Exempt payee code (if any) _____  Exemption from FATCA reporting code (if any) _____  <i>(Applies to accounts maintained outside the U.S.)</i>
	<input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate		
	<input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ <b>Note:</b> Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is <b>not</b> disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.		
	<input type="checkbox"/> Other (see instructions) ▶ _____		
	5 Address (number, street, and apt. or suite no.) See instructions.		Requester's name and address (optional)
6 City, state, and ZIP code			
7 List account number(s) here (optional)			

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

**Note:** If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

<b>Social security number</b>										
<b>or</b>										
<b>Employer identification number</b>										

## Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
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## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/FormW9](http://www.irs.gov/FormW9).

## Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

# APPLE Checklist

## For all distributions:

- Complete and sign distribution form (complete all fields)
- Complete attached IRS W-9 Form
- If you prefer a Direct Deposit**, please submit the following:
  - i. A complete and signed Direct Deposit Form
  - ii. A copy of a bank letter or, a copy of voided check with preprinted name and bank account information (no counter checks will be accepted)
  - iii. **\*\* If your Direct Deposit form and copies are not received in good order, we will process your distribution via check to your home address.**

## If you are requesting a rollover:

- Add detailed information to the rollover section of this distribution form
  - i. Supply the name of the IRA, 457, Annuity or Qualified Plan receiving the funds
  - ii. Supply the name and address of the receiving company
  - iii. Supply plan account number (if applicable)
- Rollover paperwork from the receiving vendor if applicable

## If you are requesting a death claim:

- Supply a copy of the account holder's Death Certificate
- Add detailed information to the beneficiary section of this distribution form
- W9 instructions for death claims:**
  - i. For a Beneficiary claim: complete the W-9 Form with the beneficiary's information
  - ii. For an Estate claim: complete the W-9 Form with the account holder's information
- Affidavit for Transfer of Personal Property worth \$150,000 or less (if applicable)

## If you are purchasing of service credits:

- For CalPERS**, supply copies of:
  - i. Election to Purchase Service Credits Form
  - ii. Plan to Plan Certification
- For CalSTRS**, supply a copy of the Billing Statement

## If your name has changed:

- Submit a copy of your Social Security Card

## If your address has changed:

- Go to [www.myMidAmerica.com](http://www.myMidAmerica.com) and select the **Access Account** option located in the upper right-hand side of the main page. Enter your login credentials and select **Participant Login**. You may update your personal profile by going to **Settings**, then **Personal Profile**.

## Questions?

Contact our Customer Service department at (800) 634-1178 or [accountservices@myMidAmerica.com](mailto:accountservices@myMidAmerica.com).

Customer Service Hours

Monday through Thursday, 8:30 am – 8 pm ET | Friday, 8:30 am – 6 pm ET

## SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

*This notice contains important information you will need before you decide how to receive your Plan benefits.*

This notice is provided to you by your Plan Administrator because all or part of the payment that you will soon receive from your Qualified Retirement Plan may be eligible for rollover by you or your Plan Administrator to a Traditional IRA, Roth IRA, another qualified employer plan, eligible 457(b) plan, 401(a) or 403(b) plan. A "Traditional IRA" does not include a SIMPLE IRA or Coverdell Education Savings Account.

If you have additional questions after reading this notice, you can contact your Plan Administrator.

There are two ways you may be able to receive a Plan payment that is eligible for rollover: (1) certain payments can be made directly to a Traditional IRA, Roth IRA, or, if you choose, another qualified employer plan, eligible 457(b) plan, 401(a) or 403(b) plan, that will accept it ("direct rollover"), or (2) the payment can be paid to you.

### 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 (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

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

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

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

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 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 (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan

Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution. 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 is in addition to the regular income tax on the payment not rolled over.

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

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

#### **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 from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

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

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

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

### **SPECIAL RULES AND OPTIONS**

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

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is 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 directly 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.

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

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

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

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

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

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

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

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

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

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 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 pension payment is used to pay for health coverage or qualified long-term care insurance**

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

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

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

If you roll over the payment 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, 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. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).**

**If you roll over the payment 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).**

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

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

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 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 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 you are a surviving beneficiary other than a spouse.** If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

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

#### **If you are a nonresident alien**

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

**Other special rules**

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

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

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

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

**FOR MORE INFORMATION**

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, *Pension and Annuity Income*, IRS Publication 590, *Individual Retirement Arrangements*, and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from your local IRS office, on the IRS's Internet Web Site at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.