



# 403(b)(7) ACCOUNT DISTRIBUTION AND ROLLOVER FORM

Use this form to request a distribution or rollover from your 403(b)(7) account.

## MAILING INSTRUCTIONS

Please send completed form to:

**Regular Mail Delivery**  
Alger Family of Funds  
PO Box 2175  
Milwaukee WI 53201-2175

**Overnight Delivery**  
Alger Family of Funds  
C/O UMB Fund Services, Inc  
235 W Galena Street  
Milwaukee WI 53212-3948

## SECTION 1: EMPLOYEE ACCOUNT OWNER/BENEFICIARY INFORMATION

Name: \_\_\_\_\_ Taxpayer ID Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Residence Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Primary Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

U.S. Citizenship Status:  Citizen  Resident Alien      403(b) Account/Plan Number: \_\_\_\_\_

**Complete the below only if employee account owner is deceased and you are requesting a death distribution.**

Beneficiary's Name: \_\_\_\_\_ Taxpayer ID Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Residence Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Primary Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

U.S. Citizenship Status:  Citizen  Resident Alien      Beneficiary's Status:  Spouse  Nonspouse

## SECTION 2: REASON FOR DISTRIBUTION

We recommend that you speak with a tax or financial advisor regarding the consequence of this distribution. A distribution cannot be made from a 403(b)(7) account except for the following reasons. (select only one.)

**IMPORTANT NOTICE- All distributions will require an employer's signature, except when the reason for distribution is: Normal or direct rollover/conversion with age 59 ½ selected and there is a valid date of birth on record, required minimum distribution, distributions due to death, or qualified domestic relations order.**

- Normal Distribution** - Employee has reached age 59 ½ but is not yet taking a minimum distribution.
- Severance from Employment or Termination of Plan/Early Distribution. No known exception** - Employee has had a severance from employment with the employer who sponsors the plan. Note: You may rollover your account to an IRA or an employer-sponsored retirement plan without incurring any tax liability, provided the distribution is otherwise eligible for rollover. If you are under age 55 and you take distributions from your account, and if the distributions are not rolled over, such distributions will be taxed as ordinary income and you may incur a 10% early distribution penalty.
- Severance from Employment or Termination of Plan/Early Distribution, Exception applies.** - Employee has had severance from employment with the employer who sponsors the plan and has reached age 55. If you have reached age 55, distributions from your account, if not rolled over, will be taxed as ordinary income and not incur an early distribution penalty.
- Required Minimum Distribution** - Employee has reached the age of 70 ½ and is taking required minimum distribution.
- Financial Hardship** - Hardship withdrawals shall be permitted only if the employee has first made all available withdrawals and loans from all plan of the employer and plans of entities related to the employer in which he or she is a participant.
- Disability** - Employee has become disabled. Disability is defined by the Internal Revenue Code as being unable to engage in any substantial gainful activity by reason of medically determinable impairment which can be expected to result in death or be of long-continued and indefinite duration. By signing the distribution form, you certify that you meet the requirements for a disability distribution.

**Qualified Domestic Relations Order (Divorce)** - Employee has been ordered by a court to transfer or distribute assets from the account to a current or former spouse or child of the employee pursuant to a qualified domestic relations order ("QDRO"). The recipient may roll the assets over to an IRA or another qualified plan.

**Excess Contribution:** Participant is removing excess contribution of \$\_\_\_\_\_ for tax year\_\_\_\_\_. To avoid a penalty tax, excess contribution and earnings, if any, must be withdrawn before the due date (including extensions) of your federal come tax return for the tax year of the excess. A check will be issued for the removal.

**Transfer of Assets** - Employee is transferring the assets from a 403(b)(7) custodial account to another contract or custodial account not maintained by the Custodian. A letter of acceptance (or similar form) signed by the new custodian AND a representation signed by the new custodian is an approved vender under the employer's plan or has obtained an employer information sharing agreement with the employer necessary to comply with Section 403(b) of the Code and the final regulations promulgated there under, are required prior to the Custodian executing any transfers

**Direct Rollover** - Depositor is rolling over assets into another retirement or  **Direct Conversion** - Depositor is rolling over non-designated Roth assets into a Roth IRA.

One of the following must apply.

- Severance from employment/plan termination
- Age 59 ½
- Death of Employee (Complete Death Distribution Below)

Rollover my distribution directly into my IRA or another retirement plan at the financial institution listed below. The rolled over assets will be deposited in the following type of qualified account:

- Traditional IRA     Roth IRA     Employer-sponsored retirement plan
- State Teacher Retirement Plan     Thrift Savings Plan

\_\_\_\_\_  
**Name of Receiving Custodian/Trustee/Administrator**

\_\_\_\_\_  
**Account Number**

**OR**

\_\_\_\_\_  
**Plan Name**

\_\_\_\_\_  
**Street Address**

\_\_\_\_\_  
**City, State, Zip**

\_\_\_\_\_  
**Telephone Number**

**Death - Employee has died. Complete the below**

**Additional Documentation Requirements:**

- A certified copy of the depositor's death certificate
- A certified copy of the letters testamentary where no beneficiary is listed on the account.
- A new application for each beneficiary

**Distribution Instruction**

**DISTRIBUTE THE ENTIRE ACCOUNT:**

The account will be distributed in its entirety. Do not select this option if you are electing to receive periodic payments.

**BENEFICIARY TO RECALCULATE ANNUALLY:**

The amount of your required minimum distribution will change each year, based on your account value at the end of the preceding year. Distributions will be recalculated annually by the Custodian. The distribution must start by December 31 of the year following the year of the date of death. **Complete the Periodic payment distribution- Systematic Withdrawal Request part B in Section 3 For RMD distribution.**

**Additional Information:**

- If no beneficiary is named on the account and the depositor was unmarried at the time of death, any assets remaining in the account will be distributed to the depositor's estate.
- If there are multiple beneficiaries, each beneficiary may make elections relative to his or her share of the account if separate accounts for each beneficiary are established by December 31 of the year following the year of the depositor's death. Otherwise, distribution generally will be based on the life expectancy of the oldest beneficiary.
- If the depositor dies before required minimum distributions have commenced, all assets remaining in the depositor's account must be distributed by the end of the fifth year following the depositor's death unless (i) the beneficiary is a natural person or qualifying trust designated by the depositor (a designated beneficiary) and required minimum distributions are taken beginning in the year following the year of the depositor's death (in which case, distributions must be made over the designated beneficiary's life expectancy), or (ii) the depositor has designated the depositor's spouse as beneficiary (in which case, distributions must be made over the spouse's life expectancy beginning no later than December 31 of the year in which the depositor would have attained 70 ½
- If the depositor dies after required minimum distributions have begun, the account will be distributed (i) if the depositor named a designated beneficiary, over the longer of the depositor's remaining life expectancy at death or the designated beneficiary's life expectancy; (ii) the depositor named the depositor's spouse as the designated beneficiary, over the longer of the depositor's remaining life expectancy at the death or spouse's life expectancy, (iii) if the depositor did not name a designated beneficiary, over the depositor's remaining life expectancy at death.

**SECTION 3: DISTRIBUTION INSTRUCTIONS**

Please indicate if this is a one-time only distribution or a systematic withdrawal. The amount indicated will apply to each distribution. If this is a full distribution, please indicate "ALL" in Amount \$. If you check the RMD amount, do not list an amount. GENERIC Funds will calculate the distribution amount.

**A.  Single distribution- This is a one-time only distribution**

\_\_\_\_\_ Fund Name/Account Number Amount \$ or  RMD Amount

\_\_\_\_\_ Fund Name/Account Number Amount \$ or  RMD Amount

**B.  Periodic payment distribution- Systematic Withdrawal Request**

Please indicate the fund, account number and frequency you would like your systematic withdrawal to be issued:

\_\_\_\_\_ Fund Name/Account Number

\_\_\_\_\_ Fund Name/Account Number

Amount \$ or  RMD Amount

Amount \$ or  RMD Amount

- Monthly  Quarterly  
 Semi-annually  Annually

- Monthly  Quarterly  
 Semi-annually  Annually

5<sup>th</sup> or  20<sup>th</sup> of the month,

5<sup>th</sup> or  20<sup>th</sup> of the month,

Beginning Month \_\_\_\_\_ Year \_\_\_\_\_

Beginning Month \_\_\_\_\_ Year \_\_\_\_\_

**SECTION 4: METHOD OF PAYMENT**

You can have your distribution deposited into a non-IRA account, sent directly to you by check or have the funds transferred to another financial organization. Please select your preferred payment method (select only one):

Please deposit my distribution into my existing non-IRA account\*:

\_\_\_\_\_ Fund Name \_\_\_\_\_ Account Number \_\_\_\_\_

Please deposit my distribution into a new non-IRA account\*. Please complete a New Account Application and include it with this form.

*\*If your existing or new non-IRA account is registered to a name other than your name only (e.g., joint account), a Medallion signature guarantee is required (see Section 7).*

Please send a check to the address on my account.

Please send a check to a different address (requires Medallion signature guarantee – see Section 6).

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Please send my distribution to the financial organization/bank account listed on my account via:

Electronic Funds Transfer (2-3 business days; no fee)

Wire (1 business day; \$20.00 fee)

Please deduct the wire fee from the proceeds of my distribution.

Please do not deduct the wire fee from the proceeds of my distribution. I have enclosed a check for payment of the fee.

Please send my distribution to the financial organization/bank account listed below (requires Medallion signature guarantee; see Section 7/6) via:

Electronic Funds Transfer (2-3 business days; no fee)

Wire (1 business day; \$20.00 fee)

Please deduct the wire fee from the proceeds of my distribution.

Please do not deduct the wire fee from the proceeds of my distribution. I have enclosed a check for payment of the fee.

Attach a voided check or deposit slip for your bank account. **Please use tape; do not staple.**

Provide information about your bank account below.

Account Type:  Checking  Savings

Name of Bank: \_\_\_\_\_ Bank's Phone Number: \_\_\_\_\_

Bank Address: \_\_\_\_\_ ABA Routing Number: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Name(s) on Bank Account: \_\_\_\_\_ Bank Account Number: \_\_\_\_\_

John and Jane Doe 123 Any Street Anytown, USA 12345	Date _____	1003
PAY TO THE ORDER OF _____	Tape your voided check or preprinted deposit slip here.  Please do <u>not</u> use staples.	\$ _____
_____		_____ DOLLARS
BANK NAME BANK ADDRESS		
MEMO _____		

**SECTION 5: WITHHOLDING NOTICE AND ELECTION (FORM W-4P/OMB No. 1545-0074) DEPT. OF TREASURY, INTERNAL REVENUE SERVICE**

The amounts you receive from the plan are subject to federal income tax withholding. See the Special Tax Notice Regarding Plan Payments for complete information.

- If your distribution is eligible for rollover to another retirement plan and you do not elect a direct rollover the distribution is subject to mandatory federal income tax withholding at the rate of 20%. State withholding may also apply.

**FOR DISTRIBUTIONS NOT ELIBLE FOR ROLLOVER**

If your distribution is not eligible for rollover, you may elect to have withholding waived from the distribution by completing the Federal and State Withholding elections below.

**NOTICE:** The distributions you receive from your IRA are subject to federal income tax withholding unless you waive withholding. You may waive withholding on your IRA distribution by returning a signed and dated IRS Form W-4P, *Withholding Certificate for Pension or Annuity Payments*, or substitute Form W-4P to the Custodian. Withholding will apply to the total amount of the distribution, whether taxable or not. If you waive withholding on your IRA distribution, or if you do not have enough federal income tax withheld from your IRA distribution, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient. You are responsible for determining and paying all federal, and if applicable, state and local taxes on distributions from all IRAs you own. If you do not waive withholding or elect an alternative withholding amount, ten percent will be withheld from your nonperiodic IRA distribution. Your election is valid until you revoke it. You may change your withholding election by completing another Form W-4P or substitute. If you are a non-resident alien you may not use Form W-4P to withhold income tax or to waive withholding.

**Election:** Unless a previous withholding election is in place, you indicate a different withholding amount below, or you waive withholding by indicating your election below, ten percent will be withheld from your IRA distribution. Check this box if you wish to add the below

- I do not want federal income tax withheld from my distribution from this account.
- I want federal income tax of 10% withheld from my distribution from this account.
- I want federal income tax of \_\_\_\_% (greater than 10%) withheld from my distribution from this account.

**State Tax Withholding Election**

Unless you waive state taxes below, state taxes will also be withheld if, at the time of your distribution, your address is within one of the mandatory withholding states.

- I do not want state income tax withheld from my distribution from this account.

Please refer to the list of mandatory state withholding rates included on the Tax Withholding Information Addendum following the SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS below. You may change your state withholding election on your IRA distribution by submitting the change in writing to the Custodian. Please contact a tax professional regarding the possible tax implications prior to making a redemption request.

**SECTION 6: EMPLOYEE SIGNATURE**

By signing this 403(b)(7) Distribution Request Form, I certify that the information I have provided is true and correct, and I authorize the Custodian to distribute my 403(b) as instructed above. I certify that I have received and read the Special Tax Notice Regarding Plan Payments, and I hereby waive the 30-day notice requirement outlined in the Special Tax Notice Regarding Plan Payments. I understand that I am responsible for ensuring I am eligible to authorize this distribution and I assume all responsibilities for any consequences as a result of my actions. When applicable, a good faith effort has been made to obtain authorization from my employer (or 403(b) administrator) to determine my eligibility to receive a 403(b) withdrawal in accordance with the final 403(b) regulations, IRS guidance and my employer's 403(b) plan document. I understand and consent to the release and or sharing of information concerning the above referenced 403(b) account to my current (or former employer (or 403(b) administrator, as delegated by your employer) to be used with the sole expressed intent of processing this request. I will indemnify and hold the Custodian harmless from any consequences related to executing my instructions, including payments made in error. I have been advised to seek competent legal and tax advice, and have not been provided any such advice from the Custodian.

Signature

Date

A Medallion signature guarantee is required if proceeds are going to a payee, address or bank account other than those listed on your account, if the redemption is over \$100,000, or if you are depositing your distribution into an existing or new non-IRA account which is registered to a name other than your name only. A Medallion signature guarantee may be obtained from a member of a national securities exchange, a U.S. commercial bank, trust company or federally chartered savings and loan or other eligible guarantor institution. **A notary public is not an acceptable guarantor.**

Medallion Signature Guarantee Stamp

**SECTION 7: EMPLOYER AUTHENTICATION**

Check here if you terminated employment with the sponsoring employer prior to January 1, 2009 or you are a beneficiary. Employer authorization is not required.

Name of 403(b) Employer: \_\_\_\_\_ Recordkeeper/403(b) Administrator: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Primary Phone Number: \_\_\_\_\_

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

Email: \_\_\_\_\_

I/we certify that the above named participant/beneficiary is eligible for the distribution or rollover requested.

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

\_\_\_\_\_  
Print Name and Title of Authorized Signer

## SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice contains important information you will need before you decide how to receive your 403(b) plan benefits and explains how you can continue to defer federal income tax on your retirement savings in your 403(b) plan.

### YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your 403(b) 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 with special tax rules in some employer plans). 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 (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 GENERIC Funds another 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
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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

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

If you are under age 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
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

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

If you receive a payment from an IRA when you are under age 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 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 generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

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

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

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

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

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

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 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 employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

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

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to 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 you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance***

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

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

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

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

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

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

***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 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 \$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 may apply to your payment. The rules described are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from your 403(b) plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, **Pension and Annuity Income**; IRS Publication 590, **Individual Retirement Arrangements (IRAs)**; and IRS Publication 571, **Tax-Sheltered Annuity Plans (403(b) Plans)**. These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

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### State Withholding For Non-Eligible Rollovers

STATE	REDEMPTIONS	SWP	DISTRIBUTIONS PAID TO S/H (Cap Gains & Div)
<b>AR (Arkansas)</b>	3% of gross amount	3% of gross amount	3% of gross amount
<b>CA (California)</b>	10% of the Federal Withholding Rate	10% of the Federal Withholding Rate	10% of the Federal Withholding Rate
<b>DE (Delaware)</b>	5% of gross amount	Calculation is based on withholding wage table	5% of gross amount
<b>DC</b>	<b>NO WAIVER IS ALLOWED</b> 8.95%	<b>NO WAIVER IS ALLOWED</b> 8.95%	<b>NO WAIVER IS ALLOWED</b> 8.95%
<b>IA (Iowa)</b>	Under \$6,000 No Withholding Over \$6,000 withhold 5%	5% of gross amount	Under \$6,000 No Withholding Over \$6,000 withhold 5%
<b>KS (Kansas)</b>	Under \$6,000 No Withholding Over \$6,000 withhold 5%	Calculation is based on withholding wage table	No withholding on interest and dividend income
<b>MA (Massachusetts)</b>	5.15% of gross amount	Calculation is based on withholding wage table	5.15% of gross amount
<b>ME (Maine)</b>	5% of gross amount	Calculation is based on withholding wage table	5% of gross amount
<b>MI (Michigan)</b>	4.25% of gross amount	4.25% of gross amount	4.25% of gross amount
<b>NC (North Carolina)</b>	4% of gross amount	Calculation is based on withholding wage table	4% of gross amount
<b>NE (Nebraska)</b>	Under \$6,450 – No Withholding Over \$6,450 withhold 5%	Calculation is based on withholding wage table	Under \$6,450 – No Withholding Over \$6,450 withhold 5%
<b>OK (Oklahoma)</b>	5% of gross amount	Calculation is based on withholding wage table	5% of gross amount
<b>OR (Oregon)</b>	8% of gross amount	8% of gross amount	8% of gross amount
<b>VT (Vermont)</b>	27% of the Federal Withholding Rate	Calculation is based on withholding wage table	27% of the Federal Withholding Rate

**STATE WITHHOLDING GUIDELINES:**

- CA & VT – follow existing Federal Withholding elections.
- Changes must be done in writing - Shareholders are required to submit a new Withholding Election in order to change withholding. Therefore, all shareholders default to withhold until such time an in writing election is received. If a shareholder has an existing election on Federal withholding, an updated election including state is required
- Withholding can only be reversed if a clerical error has occurred and must be approved by Tax or Sue Barnes.
- Shareholder can waive by completing and mailing the IRA Change of Withholding Election Form (Substitute W4-P)
- If shareholder moves permanently from Non Mandatory State to Mandatory State, please email, fax or mail the IRA Change of Withholding Election Form (Substitute W4-P) and inform them of the withholding change