IBEW LOCAL 163 ANNUITY PLAN
PO BOX 1028
WEST TRENTON, NJ 08628-0230

Death Claim
(Please Print or Type)

INSTRUCTIONS:

If you are a beneficiary of a deceased plan participant, you should use this form to direct the Plan to either (1) keep your share in the plan in a new account under your name, (2) distribute your share of the participant's account or (3) roll over your share to an IRA or to your own retirement plan (provided that it accepts rollovers), or to an inherited IRA (for non-spousal beneficiaries).

Please note that if you choose the first option, you generally must begin withdrawing funds from your account by a certain date or a substantial federal income tax penalty may be imposed.

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SECTION I - Participant (Decedent) Information

Name of Participant ______________________________________Soc Sec # _ _ _ / _ _ / _ _ _ _

Street Address____

City, State, Zip ____

Date of Birth ______/_______/________ Date of Death _______/_______/_______

SECTION II - Beneficiary Information

Name of Applicant ______________________________________Soc Sec # _ _ _ / _ _ / _ _ _ _

Street Address____

City, State, Zip ____

Date of Birth ______/_______/________

Daytime Telephone Number ____

Relationship to Participant ____

SECTION III - Form of Payment

You may elect to receive your benefits under one of the following forms of payment. Please elect the form of payment you desire by checking the applicable box below:

1. _____ ***Separate Account*** **-**Transfer my portion of the above mentioned account to a separate account under my name and Social Security number.

   Note: If you choose this option, a beneficiary account will be established for you. Federal Tax Law requires you to begin withdrawing funds at a certain time from your account. Please complete the Minimum Required distribution section of this form. You should also complete and return the enclosed Beneficiary Designation form. For future distributions, you may call I.E. Shaffer & Co., 800-792-3666, ext 6126 for your options available under the Plan.

2. _____ ***Lump Sum Settlement*** - Total amount in a single sum to me. *If you wish to receive only a portion of the account, please indicate the amount $___________.*

3. _____ ***Direct Rollover (Check this box if this is an inherited IRA)*** **[ ]**

   Name of Institution: ____

   Address of Institution: ____

   ____

   Account Number: ____

4. _____ ***Monthly Installments –*** I elect to receive my accumulated share in equal monthly installments (select one):

   _____ Over my life expectancy.

   _____ Over a period of _______ years (not to exceed my remaining life expectancy).

   _____ In monthly installments of $ ________________.

SECTION IV – Direct Deposit Arrangements

You can arrange to have your benefit payment(s) forwarded directly to your bank and deposited to your checking or savings account. So that your payment can be forwarded directly to your bank and deposited to your checking or savings account, **please attach a voided blank check to this section of the application. The voided check must display the magnetic numbers at the bottom.**

Type of Account: ☐ Checking ☐ Savings

Financial Institution name

|___|___|___|___|___|___|___|___|___|___|___|___|___|___|___|___|___|___|

Financial Institution Routing/Transit/ABA Number

|___|___|___|___|___|___|___|___|___|___|___|___|___|___|___|___|

Account number

|___|___|___|___|___|___|___|___|___|___|___|___|___|___|___|___|

SECTION V – Income Tax Withholding

Federal Income Tax - Please check A, B, or C as applicable

a. _____ I elect to have the mandatory 20% withheld from my payment

b. _____ I elect to have _____% withheld from my payment (must be greater than the mandatory 20%).

c. _____ I do not want to have Federal Income Tax withheld from my payments (You may only select if installment payout period is more than 10 years).

State Income Tax

You may skip this Section if you reside in a state with no income tax or withholding requirement on retirement income.

The taxable portion of your payment may be subject to state income tax withholding requirements. While Prudential will withhold based on your state's income tax rules and your election, if applicable, you are responsible for ensuring you satisfy your individual state income tax liability. If you make an election that is not in compliance with your state's income tax withholding rules, then Prudential will default to your state's income tax withholding requirements.

State Income Tax Withholding rules are subject to change at any time. For current state specific tax information pertaining to your resident state, you should contact your tax advisor or your state income tax department. Also note, state tax rules may apply differently depending on your type of distribution (i.e., lump sum, periodic, non-periodic, etc.). In addition, some states allow for an exclusion from income distributions from certain retirement plans - to confirm whether you may qualify to exclude all or a portion of your distribution from income for state taxation purposes, you should consult your plan sponsor or state income tax department.

If your state's income taxes are determined based on wage tables, Prudential is unable to calculate a net amount, you will need to ensure that you have grossed up accordingly. Your request may be delayed if a net amount is requested.

If you do not see your state listed below, it is a result of your state not permitting state income tax withholding.

Any tax information included in this written or electronic communication was not intended or written to be used, and it cannot be used by the taxpayer, for the purpose of avoiding any penalties that may be imposed on the taxpayer by any governmental taxing authority or agency.

Your state income tax withholding options are:

AR, DE, IA, KS, MD, MA, NC, NE, OK, VT, VA	These states require mandatory state income tax withholding on taxable distributions. Prudential is required to withhold state income taxes based on state law. You may not elect out of state income tax withholding. Requests for Required Minimum Distributions (RMDs) and installment payment programs over a period of 10 years or more are not eligible to be rolled over. If you choose to opt out of federal income tax withholding, Prudential will automatically opt you out of state income tax withholding. If you did not opt out of federal income tax withholding, then Prudential will withhold based on state law. ☐ I elect to withhold an amount of $_________ (whole dollar amount) or ____%
CA, ME, OR, DC	These states require mandatory state income tax withholding. Prudential is required to withhold state income taxes based on state law unless you elect out of withholding. ☐ I elect no state income tax withholding. Note: The District of Columbia only requires mandatory withholding on a "lump sum" distribution that brings your account balance to zero. If you are requesting a "lump sum" distribution, then you may not opt out of withholding.
AL, AZ, CO, DC (non-lump sum payments), ID, IL, IN, KY, LA, MO, MS, MT, NJ, NM, NY, ND, OH, PA, RI, WV, WI	These states permit voluntary state income tax withholding. You may voluntarily elect state income tax withholding by providing a dollar amount or percentage below. If no election is made for these voluntary states identified, then Prudential will not apply any withholding. ☐ I voluntarily elect to withhold an amount of $_________ (whole dollar) or ________ %. Note: **AZ** only permits voluntary state income tax withholding on periodic payments. If a tax election is requested on a lump sum distribution, Prudential will not apply any withholding. If additional amount is requested for periodic payments, please complete section below. **MS** requires 5% mandatory withholding on early distributions and returns of excess distributions from qualified plans.

GA, MN, SC, UT	These states permit voluntary state income tax withholding. You may voluntarily elect state income tax withholding by providing a dollar amount or percentage below. If no election is made for these voluntary states identified, then Prudential will not apply any withholding. Lump Sum Payments: ☐ I voluntarily elect to withhold an amount of $_________ (whole dollar) or ________ %. Periodic Payments: ☐ I want state income tax withholding applied to my distribution in accordance with the applicable withholding tables and the marital status/exemption information provided here: a. Marital Status (Circle one): Single Married b. Number of Exemptions: ________________________ c. Additional Flat Amount: $ _______________________ **Note:** A marital status must be circled on Line a. and the number of exemptions must be entered on Line b. to withhold an **additional** flat amount, entered on Line c.
CT, MI	These states require mandatory state income tax withholding. Prudential is required to withhold state income taxes based on state law unless you provide an alternate dollar amount or percentage withholding instruction below, along with completing your state specific W-4P withholding certificate and submitting it with this form. If a W-4P is not provided, Prudential will default to your state's mandatory max withholding amount. ☐ I elect to withhold an amount of $_________ (whole dollar amount) or ____%
Additional State Income Tax Withholding	I elect to have an additional ____% or $_________ (whole dollar amount) if state income tax withheld from my payments.

<u>SECTION VI – Minimum Required Distribution</u> *(only complete this section if you selected Number 1 in the Form of Payment section)*

Please check A, or B as applicable

a. _____ The participant's death occurred prior to the participant attaining the Required Beginning Date, therefore, I do not have to begin receiving MRD payments at this time. Prudential will send me an MRD election form in the year the participant would have turned 70 ½ for my completion.

b. _____ The participant's death occurred after the participant attained the Required Beginning Date. I must begin receiving distributions from this account by December 31 in the year following the year of the participant's death.

<u>SECTION VII- Signature</u>

I hereby certify that I am the beneficiary under the identified Plan. I attest that I have read the Payment Options available to me and the attached **Special Tax Notice Regarding Plan Payments.**

____ ***Date*** ______ / ______ / ________

(Beneficiary's Signature)

SECTION VIII – Fund Office Authorization:

This section must be completed by an authorized plan representative.

The beneficiary completing this request is 1 of _____ beneficiaries and is approved to received _____ % of the decedent's account.

X____ *Date*_________________

Authorized plan representative signature:

Please return completed form to: IBEW Local 163 Annuity Fund, C/O I.E. Shaffer & Co., 830 Bear Tavern Road 2nd Floor, PO Box 1028, Trenton, NJ 08628-0230.

Introducing CAPTRUST Financial Advisors

Expert Advice to Help Support Investment Decisions and Avoid Financial Stress

If you are like most people, you may struggle with feeling confident about making financial decisions. The Trustees for IBEW 163 Annuity Fund believes in helping you make the most of your compensation and benefits package and improving financial wellness is one of our top concerns. To help you achieve a strong financial future, and support your specific needs, we have hired CAPTRUST as a resource to help you with making important investment and financial decisions.

Who are they?

CAPTRUST is an independent advisory firm that provides investment advice in a fiduciary capacity to the Trustees of IBEW 163 Annuity Fund and members. Members who need help navigating financial decisions (budgeting, debt management, credit, college savings) or retirement benefits can rely on this resource for support. CAPTRUST has been helping unions and providing personalized financial advice their individual members like you over 25 years. To learn more about the firm, visit www.captrustadvice.com.

Is this advice part of my benefits package?

Yes, CAPTRUST is here to provide you with access to professional, unbiased advice. CAPTRUST will not sell you any products – their services are made available to you as part of the IBEW 163 Annuity Fund. When you meet with CAPTRUST, the first step is to work with them to create a comprehensive plan tailored to your individual needs. They have financial counselors to help guide you through decisions and provide individual advice across a variety of topics such as to how much you need to save, where to invest your retirement assets and how to integrate your information alongside your partner's accounts and /or other investments.

How do I make an investment advice appointment with CAPTRUST?

The easiest way to make an investment advice phone appointment is to schedule it online at www.captrustadvice.com. You can also call CAPTRUST directly at 800.967.9948.

Introducing CAPTRUST Financial Advisors

What are the appointment times and what should I bring to my appointment?

Appointments can be scheduled on Monday – Thursday from 8:30am to 8pm EST and Friday from 8:30am to 6pm EST. Appointments are scheduled in 30-minute intervals. Please have your John Hancock account login information, or a recent copy of your account statement and any other financial records you would like to have reviewed available for your appointment.

Is CAPTRUST replacing our retirement plan provider?

No. John Hancock will remain the plan recordkeeper. CAPTRUST will offer advice and financial planning services to complement the existing services.

When should I call CAPTRUST?

- Assistance creating a budget
- Assistance selecting investments
- Creating a financial plan
- Deciding how much you should be saving for retirement

When should I call John Hancock?

- Changing your investment selections either online or over the phone
- Processing distributions
- Setting up a login online or over the phone
- Obtaining plan highlights, personal performance, and statements
- Updating personal information

Enhance your financial wellness with **CAPTRUST**

- How do I budget towards my financial goals?
- How do I manage debt I have accumulated?
- How do I save for my child's education?
- Am I on track for retirement?

Personalized, objective financial guidance is at your fingertips

Visit **captrustadvice.com** to make an appointment

Call CAPTRUST at **800.967.9948**

The CAPTRUST Advice and Wellness team is available to provide you with financial guidance for your goals, including your retirement plan decisions.

Scan here to learn more about financial guidance services.

Scan here to schedule an appointment.

Call **800.967.9948** or visit **www.captrustadvice.com**

CAPTRUST

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

(Detach and Save For Your Records)

This notice explains how you can continue to defer federal income tax on your retirement savings in the **IBEW Local 163 Annuity Plan** (the "Plan") and 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 the Plan may be eligible for rollover by you or your Plan administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator at 800-792-3666.

SUMMARY

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 that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or

(2) The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRA's.

- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.

- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

Your Right to Waive the 30-Day Notice Period. Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

MORE INFORMATION

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

II. DIRECT ROLLOVER

III. PAYMENT PAID TO YOU

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be “eligible rollover distributions.” This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

The following types of payments cannot be rolled over:

Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70 ½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

Hardship Distributions. A hardship distribution cannot be rolled over.

Loans Treated as Distributions. The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for a rollover, as discussed in Part III below. Ask the Plan Administrator of this Plan if distributions of your loan qualifies for rollover treatment.

II. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Part I above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER.

DIRECT ROLLOVER to a Traditional IRA. You can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

DIRECT ROLLOVER to a Plan. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's Plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

DIRECT ROLLOVER of a Series of Payments. If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting from a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled " Additional 10% Tax if You are under Age 59 ½" and "Special Tax Treatment if You Were Born before January 1, 1936.

III. PAYMENT PAID TO YOU

If your payment can be rolled over (See Part I above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

Mandatory Withholding. If any portion of your payment can be rolled over under Part I above and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. The amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full $10,000 as a taxable payment from the plan. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Part I above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the plan administrator for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Part I above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Part I above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: The taxable portion of your payment that can be rolled over under Part I above is $10,000, and you choose to have it paid to you. You will receive $8,000, and $2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000, you may roll over the entire $10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the $8,000 you received from the Plan, and you will have to find $2,000 from other sources (your savings, a loan, etc.) In this case, the entire $10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire $10,000, when you file your income tax return you may get a refund of part or all of the $2,000 withheld. If, on the other hand, you roll over only $8,000, the $2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld. (However, any refund is likely to be larger if you roll over the entire $10,000.)

Additional 10% Tax If You are under Age 59 ½. If you receive a payment before you reach age 59 ½ and you do not roll it over, then in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

Special Tax Treatment If you Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part I and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59 ½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59 ½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below:

Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging"(using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as a long-term capital gain at the rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

Repayment of Plan Loans. If your employment ends and you have an outstanding loan from your Plan, the Administrator will reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash paid to you. The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order," which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Part I above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Part III above, even if you are younger than age 59 ½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions as described in Part III above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

HOW TO OBTAIN ADDITIONAL 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 employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.