REQUEST FOR DISTRIBUTION RULES

Davis-Bacon Plan:

You have been terminated from your employer for at least 90 days
If you are terminated and have met your 90 day Break in Service, your funds will be distributed in approximately 4 to 8 weeks after we have received your fully completed distribution forms.

You have been terminated from your employer for less than 90 days
If you are terminated and have NOT met your 90 day Break in Service your funds will be distributed in approximately 4 to 8 weeks after you have met your 90 day Break in Service AND we have received your fully completed distribution forms.

NOTE: If you are re-hired or are employed by another participating employer with the Davis-Bacon Plan & Trust prior to the Distribution date, you will no longer be eligible for distribution.

Your account will remain active in the market until the Distribution date.

401(k) and Profit Sharing Plan:

You must be terminated from your employer
If you are terminated from your employer, your funds will be distributed after valuation is complete for the year in which you are terminated.

Your account will remain active in the market until the Distribution date.

If You are Permanently Retired
You must be at least age 59 ½. The check will be processed upon approval.

If You are Permanently Disabled
You must be eligible for Social Security Disability in order to be considered Permanently Disabled. Attach proof of Disability to the Request For Distribution form. The check will be processed upon approval.

Options

Lump Sum Distribution
If you take a cash distribution of your account and you are married, your spouse will need to complete the "Spouse's Consent" on the back of the form and have his/her signature notarized. If you are over age 59 1/2 you will be able to avoid the 10% federal excise tax; however, if you are younger than 59 1/2 you will be subject to the 10% excise tax. Regardless of your age you will be subject to any applicable Income Tax.

Rollover Distribution
In order to transfer your account to an IRA or Qualified Retirement Plan with another institution, complete the rollover section, or attach properly signed transfer papers from that company. No taxes will be withheld. If you intend to take receipt of the cash and then transfer to an IRA, 20% taxes will be withheld; the withholding is not an option. You may file for a refund on withholding when you file your taxes. In either situation, if you are married your spouse must complete the "Spouse's Consent" on the back of the "Request for Distribution" form and have his/her signature notarized.

Fixed Annuity
If you choose a fixed annuity payment option, you will need to choose a fixed annuity option. You will also need to decide if you want to use your entire account or a portion of your account to pruchase an annuity. See additional information on the attached "Fixed Annuity Form".

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For more details refer to your Summary Plan Description

All forms MUST be mailed to:

Davis-Bacon Pension Plans, Inc.
8583 154th Ave NE
Redmond, WA 98052
Phone: 425-889-8855

REQUEST FOR DISTRIBUTION FOR

1. ☐ Davis-Bacon Plan *or* ☐ 401(k) Profit Sharing Plan

DAVIS-BACON PENSION PLANS, INC.

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2. ***COMPLETE ALL SECTIONS (Please Print Clearly) and return to 8583 154th Ave NE, Redmond, WA 98052***

Your Legal Name:__________________________________ Social Security Number:________________________

Your Mailing Address:________________________________ Daytime Telephone: ___________________________

____ Date of Birth:________________________________

Email Address: _____________________________________ May we contact you via email? ☐ YES ☐ NO

Presently Married: ☐ YES ☐ NO If Yes then Must Complete Spouse Consent Page

3. *Reason For Distribution:*

☐ Employment Termination on (Date)_________________Employer____

☐ Retirement as of (Date) ___________ ☐ Disability as of (Date)___________(***Attach proof of Disability - SSI Approval Letter***)

4. *Type of Distribution:* (Please check one box) *Mandatory Federal Tax of 20% will be withheld on cash distributions*

☐ I elect to receive a check payment of my account balance mailed to the address above

☐ *I elect to have my check expedited to my physical address; I understand there is an additional charge for this service*

☐ I elect to receive direct deposited my account balance (ACH) to my personal checking account

Attach a voided check, your name and information must be printed on the check by the bank

☐ I elect to directly rollover my entire account balance to an IRA\Qualified Retirement Plan I have established at another Institution

*Make Check payable to:*____

*Account Number:*____

*Mailing Address:*____

____

☐ Fixed Annuity: *See attached Annuity Form for Options*

By signing below, I certify that the information contained on this form is complete and accurate. I also authorize the payment to be issued according to the selection made on this form.

X_______________________________________Date_________

Participant Signature (Must Be Notarized)

STATE OF ______________________COUNTY OF ____________________

On______________ before me,____________________________(Notary Public), personally appeared______________________________ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or, the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _________________that the foregoing paragraph is true and correct.

WITNESS my hand and official Seal

X_______________________________________ **SEAL**

Notary Public residing at __________________My Commission Expires: __________________

SPOUSE'S CONSENT

I hereby consent to the following type of Distribution:(Please check one box) *Mandatory Federal Tax of 20% will be withheld on cash distributions*

☐ A check payment of my spouse's account balance mailed to the address provided on this form

☐ A payment of my spouse's account direct deposited to spouses/our personal checking account

☐ A direct rollover of my spouse's entire account balance to an IRA\Retirement Plan that has been established at another Institution

☐ Fixed Annuity: *See attached Annuity Form for Options*

X____Date___________
Spouse Signature (Must Be Notarized)

STATE OF ______________________

COUNTY OF ____________________

On______________ before me,____________________________(Notary Public), personally appeared______________________________ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or, the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _________________that the foregoing paragraph is true and correct.

WITNESS my hand and official Seal

X_______________________________________ **SEAL**

Notary Public residing at __________________

My Commission Expires: __________________

MAIL COMPLETED FORM TO
Davis-Bacon Pension Plans, Inc.
8583 154th Ave NE * Redmond, WA 98052

Fixed Annuity Form

(This form is not valid unless attached to the Request For Distribution)

Do not complete this form if you are electing a lump sum payment or rollover

DAVIS-BACON PENSION PLANS, INC.

Name: ____ Social Security Number: _____________________________________

Purchase Date:____________ Payment Start Date:_____________ Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually

☐ Income of an Amount Certain $____________________

☐ Income for a Period Certain (Years) _____________________

The Following options have monthly frequencies:

☐ Fixed Life Annuity with Guaranteed Period (attach a copy of birth certificate or driver license) 5, 10, 15, 20 years (circle one)

☐ Fixed Life Annuity – Life Only, No Death Benefit (attach a copy of birth certificate or driver license)

☐ Joint Life (attach a copy of both birth certificates or driver licenses) with ☐ 50% Survivor Benefit ☐ 100% Survivor Benefit

Guaranteed Period ☐ No ☐ Yes If yes: 5, 10, 15, 20 years (circle one)

Co-Annuitant's Name ____ Relationship _________________________________

Fixed Annuity – An annuity is a payment option that can guarantee you a retirement income for life or a limited, defined period. You will receive payments on a regular basis. Payments made under a fixed annuity option will not change for as long as the annuity period continues. To request an annuity quote, review the annuity options that follow and call a Service Provider. The insurance company issuing the annuity makes annuity payments and will deduct the applicable tax withholding. Once an annuity is selected, you may not select a different distribution method or change to another fixed annuity option. To elect this method, the minimum annuity purchase amount is $2,000.00 and each payment must be at least $50.00.

If you choose a fixed annuity payment option, you will need to choose a fixed annuity option. You will also need to decide if you want to use your entire account or a portion of your account to purchase an annuity.

Purchase Date – The purchase date is the date your funds are withdrawn from your existing account and placed into a fixed annuity. The purchase date may vary depending on your underlying investment options. If the purchase date is not a business day, the purchase date will default to the next business day. The selected purchase date must be prior to the payment start date. The interest rate applied will be the annuity rate in effect on the actual purchase date. If purchase date is not selected, the purchase date will automatically be the date a properly completed Distribution Form is received by the Service Provider. Your purchase date cannot be more that 12 months from the date you complete the Distribution Form.

Payment Start Date – The payment start date is the date your first check is to be received. Your first electronic transfer or check may be delayed 5-10 business days as your annuity account is established. The payment start date for fixed annuities cannot be more that 90 days after the purchase date. You may choose any date of the month with the exception of the 29^{th}, 30^{th} or 31^{st}.

You are responsible for ensuring that the fixed annuity option as elected meets the minimum distribution requirements, if applicable.

The Fixed Annuity Options are as follows:

1. Income of an Amount Certain – You must indicate a specific amount to be paid to you on a monthly, quarterly, semi-monthly or annual basis. The amount chosen must be received over a period not greater than 20 years. If you die before your entire annuitized balance is distributed, your beneficiary will receive all remaining annuity payments, if any.
2. Income for a Period Certain (Years) – You will receive payments on a monthly, quarterly, semi-monthly or annual basis for the time period chosen (not greater than 20 years). If you die before your entire annuitized balance is distributed, your beneficiary will receive all remaining annuity payments, if any.
3. Fixed Life Annuity With Guaranteed Period – You will be paid monthly annuity payments for the Guaranteed annuity payment peroid you select (5, 10, 15, or 20 years) or for your lifetime, whichever is longer. Upon your death, all payments remaining payable under the Guaranteed period will be paid to your beneficiary, if any. If you choose this option, you must attach a copy of your birth certificate or driver's license.
4. Fixed Life Annuity – Life Only, No Death Benefit – You will be paid monthly annuity payments during your lifetime. Upon your death, all benefit payments cease. If you choose this option, you must attach a copy of your birth certificate or driver license.
5. Joint Life – You will receive monthly annuity payments for your lifetime. Upon the death of the annuitant, the surviving co-annuitant will receive a pre-elected percentage (100% or 50%) or the original payment amount for his or her lifetime. For example, if you elect a joint and 50% annuity, the surviving annuitant will continue to receive fixed monthly payments equaling one half of the amount received while both annuitants were living. You must attach a copy of both annuitants' birth certificates or driver licenses.

Participant Signature: X____ Date:___________________________

402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the (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 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
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first 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 of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- 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 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 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 the 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-A, *Contributions to Individual Retirement Arrangements (IRAs).*

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

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or 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 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-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. 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 exceptions applies).

If you are not a plan participant

<u>Payments after death of the participant</u>. 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*.

Postponement of Distribution Notice

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

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

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

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

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.