



your **distribution** options for the MCPS Deferred Compensation (457(b)) Plan

If you have separated from service from your employer, you are eligible to receive a distribution from the plan. As your retirement plan service provider, T. Rowe Price would like to help you make sense of an important financial decision regarding your plan account at this time of change. The following resources are immediately available to help you decide what to do with your retirement savings.

Personal Assistance

The **Retirement Services Group**, a team of specialists dedicated to assisting you with decisions regarding your retirement account, is available toll free at 1-888-445-4226.

Distribution Guide

The enclosed Distribution Guide describes the advantages, disadvantages, and tax consequences of your distribution options to help you pick the right one for your particular situation. The forms that you will need to request a distribution are included with the Distribution Guide.

Be sure to read the enclosed notice titled “Your Rollover Options”, which explains the rollover and tax rules that affect your distribution. You may also want to discuss your distribution options with your tax adviser.

In addition to the Distribution Guide, you can use this letter as an overview of your plan’s specific distribution options.

Overview of Options

Leave your savings in the Plan. If you decide to do this, you are not required to take a distribution until April 1 of the year following the year in which you reach age 70½. Please note that you still have the remaining options at any time.

Roll over your account to an individual retirement account (IRA).

You can roll over all or part of your account balance to an IRA at any financial institution. Please refer to the “Your Rollover Options” notice for more information, including rules for rollovers to Traditional or Roth IRAs. If you decide to roll over your account to a T. Rowe Price Rollover IRA, the IRA account can be opened over the phone by calling 1-888-445-4226. If you decide to roll over your account to an IRA at another financial institution, open the IRA account before completing the paperwork. Complete the enclosed Total Distribution Form, keep a copy for your records and return the original to T. Rowe Price.

Roll over your balance into your future employer’s plan.

You may also roll over all or part of your account balance to your future employer’s plan, if that plan allows. Complete the enclosed Total Distribution Form, keep a copy for your records and return the original to T. Rowe Price. Contact your future employer for specific rollover options.

Receive a distribution. You are eligible to receive a partial or total distribution of your vested account balance. Depending on your current situation, however, there may be immediate tax consequences to receiving a distribution.

- Federal law requires a **mandatory 20% federal income tax withholding** on the taxable portion of your withdrawal that is an eligible rollover distribution.
- State taxes may be withheld, if mandatory in the state where you reside.
- The distribution will be subject to ordinary income tax in the year it occurs.
- If you do not roll over your distribution within 60 days, you will lose the opportunity for future tax-deferred growth of retirement savings.

Total Distribution – You may elect to receive a single payment for the entire vested value of your account. Once this amount is paid, you will not receive any other benefit from the plan. Complete the enclosed Total Distribution Form, keep a copy for your records and return the original to T. Rowe Price.

Partial Payment – You may elect to receive a partial payment of your vested account balance and the rest of your balance will remain in the plan. Complete the enclosed Total Distribution Form, keep a copy for your records and return the original to T. Rowe Price.

Installment Payments – You may elect to receive payments of your vested account balance in installment payments over regular intervals as follows:

- monthly/quarterly/semi-annually/annually
- over your life expectancy
- monthly/quarterly/semi-annual/annual installments of a specified dollar amount

Installments cannot exceed the life expectancy of you or you and your beneficiary. 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),
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a specified period of 10 years or more.

After you make your election, T. Rowe Price will calculate the amount of each payment according to your plan rules. There are other IRS rules that may further limit the time period over which you receive payments.

Complete the Installment section of the enclosed Distribution Form, keep a copy for your records and return the original to T. Rowe Price.

A Disbursement Eligibility Certificate for this distribution request must be obtained from AIG Retirement Services Company. Please contact AIG Retirement Services Company and obtain the Certificate, complete enclosed Distribution Form, keep a copy of all paperwork for your records and return the original Form along with the Disbursement Eligibility Certificate to T. Rowe Price.

Outstanding Loan Balance

If you have an outstanding loan balance, this loan balance is now due because of your termination of employment. You have the following options to consider.

1. You may repay the loan in full prior to initiating a distribution by contacting T. Rowe Price and requesting a Loan Pre-payoff Kit. When you receive the packet, you may pay off your loan by sending a certified check, a cashier's check, money order or personal check to T. Rowe Price for the amount of your outstanding loan.
2. If you do not repay your outstanding loan balance, your distribution will be reduced by the amount of the outstanding loan. The unpaid loan balance will be taxed as ordinary income in the year in which the distribution occurs, unless you roll over an amount equal to the outstanding loan balance within 60 days of your distribution.

General Information

- Please send completed paperwork to the following address:

Regular Mail

T. Rowe Price Retirement Plan Services
Special Attn.: Forms Enclosed
P.O. Box 17215
Baltimore, Maryland 21297-1215

Overnight Mail

T. Rowe Price Retirement Plan Services
Mail Code: 17215
4515 Painters Mill Road
Owings Mills, Maryland 21117-4903

- All distributions will be processed as received.
- Distribution checks will be mailed within two business days from the redemption date of your account.
- A confirmation letter will be mailed to your address of record detailing the type of withdrawal and the payee information.
- Please note that some fund families assess redemption fees on distributions if shares are held for less than a designated period. The amount of fee charged may vary. Consult each fund's prospectus or call 1-888-445-4226 for more information. When you request a distribution from a fund that assesses a redemption fee, any redemption fee paid to the fund will be deducted from your requested distribution amount. The redemption fee paid to the fund is not treated as a distribution to you for tax purposes.

Whatever You Decide, T. Rowe Price Is Here to Help.

If you have questions or need help deciding what to do with your retirement savings, just call toll-free 1-888-445-4226 and you'll get personal assistance that can help streamline the process. We look forward to continuing to work with you.

T. Rowe Price Retirement Plan Services, Inc.

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Participant Information

Name Social Security Number

Street Address

City, State, ZIP Code

Daytime Phone Number Evening Phone Number Date of Termination

Reason for Distribution

- Termination of employment Retirement Disability

Method of Distribution

Please carefully read the enclosed explanation of your distribution options, including your right to defer a distribution and the notice titled "Your Rollover Options" which provides an explanation of the direct and indirect rollover rules and the tax treatment of distributions.

Distribution Election

Direct Rollover to Traditional IRA

I elect that my entire account be paid as a direct rollover to the following Traditional IRA:

- T. Rowe Price IRA: Account Number*: _____
*If you have not established a T. Rowe Price IRA, you must read and complete the attached form.
- IRA: IRA Custodian Name: _____
Account Number: _____
Street Address: _____
City, State, ZIP Code: _____

Direct Rollover of Qualified Rollover Contribution to Roth IRA

I elect that my entire account be paid as a direct rollover to the following Roth IRA:

- T. Rowe Price Roth IRA Account Number*: _____
*If you have not established a T. Rowe Price Roth IRA, you must read and complete the attached form.
- Roth IRA: IRA Custodian Name: _____
Account Number: _____
Street Address: _____
City, State, ZIP Code: _____



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Direct Rollover to Qualified Employer-Sponsored Plan

I elect that my entire account be paid as a direct rollover to the following qualified employer-sponsored plan:

Trustee Name: _____
Plan Name: _____
Street Address: _____
City, State, ZIP Code: _____

Partial Direct Rollover (The total percentage must equal 100 %.)

I elect that my entire account be paid according to the following instructions:

_____ % direct rollover to IRA or qualified employer-sponsored plan. (Please fill out rollover information above.)

_____ % direct rollover of qualified rollover contribution to Roth IRA. (Please fill in Roth IRA information above.)

_____ % in the form of a check made payable to me. I understand that applicable federal and state income tax withholding applies to this portion of my distribution.

If Rollovers are going to more than one destination, please provide the information requested above, plus the dollar amount or percentage of the distribution for each destination, on a separate piece of paper.

Partial Distribution in Cash

I elect to receive a partial payment of \$ _____.

I understand that the dollar amount indicated above will be withdrawn from my account and redeemed proportionately from my current investments. The rest of my balance will remain in the Plan. I understand that: 1) federal income tax will be withheld on the taxable amount of the distribution as required by law, and 2) state income tax will be withheld, if applicable.

Single-Sum Distribution

I elect that my entire account be paid to me in a single sum. I understand that: 1) federal income tax will be withheld on the taxable amount of the distribution as required by law, and 2) state income tax will be withheld, if applicable.

Installment Payment Options (Elect only one option — A, B, C, or D)

Option A - A predetermined number of payments to be received over 10 or more years. The number of years over which payments are made cannot exceed your life expectancy or you and your beneficiary's life expectancy. The actual amount of a payment will be based on the balance of your account and the net asset value(s) of the fund(s) on the day of redemption. Installment payments under this option are not eligible for rollover.

Number of years: _____

Frequency of payment: monthly quarterly semiannually annually

Option B - Over your life expectancy or you and your beneficiary's life expectancy. This will be calculated using the appropriate tables in the Internal Revenue Service regulations. Installment payments under this option are not eligible for rollover.

Choose either:

Single life expectancy Life expectancy of you and your beneficiary
Frequency of payment: monthly quarterly semiannually annually



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**MCPS Deferred Compensation (457(b)) Plan
Distribution Form**

Option C - A predetermined number of payments to be received over less than 10 years. The actual amount of a payment will be based on the balance of your account and the net asset value(s) of the fund(s) on the day of redemption.
Installment payments under this option generally are eligible rollover distributions. See the notice titled "Your Rollover Options."

Number of years: _____

Frequency of payment: monthly quarterly semiannually annually

Option D - A fixed dollar payment. The number of payments you will receive cannot be definitely determined in advance, but will be based upon the balance of your account and the net asset value(s) of the fund(s) at times of redemption. The final payment may be less than the previous scheduled payments. Installment payments under this option may be eligible rollover distributions if they are reasonably determined to be received over less than 10 years. See the notice titled "Your Rollover Options."

Pay from my account at the frequency indicated: \$ _____

Frequency of payment: monthly quarterly semiannually annually

Installment Direct Payment

I instruct you to distribute to me the total amount of each installment payment requested above.

OR

Installment Rollover

I elect that my installment payments be paid as a direct rollover to the following IRA:

T. Rowe Price Traditional IRA or T. Rowe Price Roth IRA

Account Number*: _____

*If you have not established a T. Rowe Price IRA, you must read and complete the attached form.

Traditional IRA or Roth IRA:

IRA Custodian Name: _____

Account Number: _____

Street Address: _____

City, State, ZIP Code: _____



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Wiring Instructions

Please send wire to:*

Wire Information:

Bank/Financial Institution name: _____

ABA number (nine digits): _____

Account Name: _____

Account Number: _____

Further credit to: _____

Participant Account Name: _____

Note: YOU MUST ATTACH A VOIDED CHECK WITH YOUR DISTRIBUTION PAPERWORK. To wire funds to a personal bank account, you must be listed as an owner of that account. The bank account registration on the voided check will be used to confirm wiring instructions and to confirm that you are listed as an owner of the bank account.

By signing this form, you agree that if a voided check is not attached, T. Rowe Price is not required to send the distribution proceeds by wire and may instead, without prior notice to you, send the proceeds by check to the address of record.

To wire funds to a rollover account, the rollover account must be in your name.

* Check with your bank or financial institution to obtain complete wiring instructions; please note that there may be a fee for accepting wires.

Income Tax Withholding Elections

Income Tax Withholding Election for Noneligible Rollover Distributions

Make an election only for noneligible rollover distributions. (See the Notice of Income Tax Withholding for details.)

- I **do** want federal income tax withheld.
- I **do not** want federal income tax withheld. I understand that I may be responsible for payment of estimated tax and may incur penalties under the estimated tax payment rules if my withholding and estimated tax payments are not sufficient.

State Tax Withholding Election (Complete this section only if you are not directly rolling over all assets to an IRA or qualified plan.)

- I **do** want state income tax withheld.
- I **do not** want state income tax withheld.

Note: Regardless of your election, T. Rowe Price will withhold state income tax to the extent required by applicable state law.

Payments After Age 70½

I understand that should the payment periods chosen for my installment payments that were eligible rollover distributions in either Option C or D above extend beyond my attainment of age 70½, a portion of each payment subsequent to age 70½ will include required minimum distributions, which are not eligible for rollover. In regard to the amount of the required minimum distribution portion, I make the following election:

(If no election is made, withholding will be taken at the rate of 10%)

_____ Please withhold income tax based on the attached W-4P*. If a W-4P is not attached, withholding will be at the rate of 10%.

_____ Please do not withhold income tax. I understand that I may be responsible for payment of estimated tax and may incur penalties under the estimated tax payment rules if my withholding and estimated tax payments are not sufficient.



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Voluntary Income Tax Withholding Election – Only For Non-Roth Amounts Rolled Over to a Roth IRA

Income tax withholding is NOT required on amounts rolled over from non-Roth accounts in the plan to a Roth IRA in a qualified rollover contribution. We will not withhold income taxes on the amount rolled over unless you elect voluntary income tax withholding below. (See Notice of Income Tax Withholding below for details.)

- I do want federal income tax withheld and understand that the withholding will be done at a rate of 20% unless a different withholding percentage is specified below.

Percent of Withholding: _____%

State Tax Withholding Election – Only for Non-Roth Amounts Rolled Over to a Roth IRA

- I do want state income tax withheld
- I do not want state income tax withheld

Note: Regardless of your election, T. Rowe Price will withhold state income tax to the extent required by applicable state law.

Notice of Income Tax Withholding

The distribution you receive from the plan is subject to federal income tax withholding. Your distribution also may be subject to an additional 10% penalty tax if you are under age 59½ unless certain exceptions apply. (See the notice titled “Your Rollover Options” for more information.) Withholding will apply only to the portion of your distribution that is included in your taxable income. Thus, for example, there will be no withholding on the return of your own after-tax contributions to the plan. State taxes will be withheld from your distribution in accordance with the respective state rules. Mandatory income tax withholding may not apply if distributions for the plan year are less than \$200. The provisions below provide notice of the specific income tax withholding rules for different types of distributions.

Eligible Rollover Distributions. Most distributions made upon termination of employment are eligible rollover distributions. Exceptions include certain periodic payments made over a specified period of 10 years or more or over your lifetime, required minimum distributions and hardship distributions. (See the notice titled “Your Rollover Options” for details.) If your distribution is an eligible rollover distribution, 20% federal income tax withholding (and any applicable state income tax withholding) is required on the taxable portion of the payment, unless you elect to have the eligible rollover distribution paid directly to a qualified employer-sponsored plan that accepts the rollover or to an IRA. The mandatory 20% federal income tax withholding will be calculated on the value of the eligible rollover distribution but the amount withheld will not exceed the sum of the cash and the value of property (other than employer stock) that you receive.. (See the notice titled “Your Rollover Options” for more detail.) You must have income tax withheld for eligible rollover distributions that are paid to you.

Noneligible Rollover Distributions. You may elect not to have tax withholding applied to the portion of your distribution that is not an eligible rollover distribution by completing the election section of this form. If you make no election or if you elect to have income tax withheld, federal income tax withholding (and any applicable state income tax withholding) will apply. You may choose an additional amount of federal income tax withholding by attaching IRS Form W-4P*. The applicable rate of federal income tax withholding is a flat 10% for nonperiodic payments (made within one year). For periodic payments (made in installments at regular intervals over a period of more than one year), federal income tax will be withheld as if you are married claiming three withholding allowances, unless you choose a different amount of allowances or an additional amount of withholding on IRS Form W-4P*. Your withholding election for periodic payments will remain in effect until you revoke it. You may revoke your withholding election at any time by submitting IRS Form W-4P* to the address indicated on the letter of instruction. Any election or revocation will be effective no later than the January 1, May 1, July 1 or October 1 after it is received, so long as it is received at least 30 days before that date. You may make and revoke elections not to have withholding apply to noneligible rollover distributions as often as you wish.

If you elect not to have federal income tax withheld from your distribution, or if you do not have enough federal income tax withheld, 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.



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Distribution Form**

Special Rule for Payments Outside of the United States. If your payment address is outside the United States or its possessions, your distribution cannot be processed until you complete either an IRS Form W-9* (Request for Taxpayer Identification Number and Certification) or an IRS Form W-8BEN* (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding). Federal income tax withholding is required for payments delivered outside the United States or its possessions if you are a U.S. citizen or another U.S. person as described on IRS Form W-9.* You can elect not to have U.S. income tax withheld only if you are a nonresident alien and you complete and attach IRS Form W-8BEN*,if applicable.

*These IRS forms are available from your local IRS office and on the IRS's Internet Web site at www.irs.gov, or you may call 1-800-TAX-FORMS.

Participant's Signature

I hereby certify that the above information and elections are true and accurate. If I elected a direct rollover above, I hereby certify to the best of my knowledge and belief that the account(s) designated by me on this form as the recipient(s) of the direct rollover(s) is(are) an (i) individual retirement account or annuity, (ii) a defined contribution plan qualified under section 401(a) or 403(a) of the Internal Revenue Code ("Code"), (iii) an annuity contract or custodial account described under section 403(b) of the Code, or (iv) a plan described in section 457 of the Code that is sponsored by a government, a governmental agency, or subdivision that accepts direct rollovers of eligible rollover distributions from a plan described in (ii), (iii), or (iv). I accept sole responsibility for my elections, which are based on my individual situation. I have not relied on any tax or investment advice furnished by the plan, T. Rowe Price Group, Inc., or any of its subsidiaries or affiliates.

Date

Participant's Signature



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