



Nationwide®

Nationwide Retirement Solutions

Distribution Request for 457(b) Governmental Plans

Personal Information

Participant Name:	Participant SSN or Account #:
Mailing Address:	
City, State*, & Zip Code:	
Date of Birth:	Phone Number:
Email Address:	
How would you like to be contacted if additional information is required? <input type="checkbox"/> Telephone <input type="checkbox"/> Email	

*NRS will use the state provided in your mailing address as your state of residency for tax purposes, unless instructed otherwise.

Distribution Reason (Check the option that applies) *See Important Information section for more detail

☐ Severance of Employment ☐ Retirement ☐ Disability ☐ Required Minimum Distribution ☐ In-Service

Employer Authorization

- Your employer must complete this section, if this is your first distribution request
- This section is not required for 1) participants with previous distributions from the plan, 2) distributions from Deemed IRA's, and 3) participants who are currently employed and age 70½ or older.

_____ (initial here) By initialing this box, the Plan Sponsor is certifying that employee is a Public Safety Officer as defined by the Defending Public Safety Employees Retirement Act and the IRC.

Employer Name:	Employer #:
Authorized Representative (Print):	Phone Number:
Authorized Representative Signature:	Date:
Authorized Representative Position/Title:	Severance Date:

Distribution Source* (Select One Option)

☐ Proportionately (Default Option) ☐ Source Specific ☐ Fund Specific

If source specific or fund specific option selected, please indicate which source(s) or fund(s):

Source	Amount or %**	OR	Fund Name	Amount or %**

*If a source is not listed, your funds will be disbursed prorata.

**Amounts must be in whole percentages

One Time Payment** (Select One Option)

☐ Entire account balance

☐ Partial amount of \$ _____ Minimum of \$25* (Amount including tax withholding)

*The terms of the Plan Document govern the minimum amount allowed for partial one-time payments. Some plans require a \$1,000 minimum for a partial one-time payment.

** Skip to "Payment Method" section on page 3, if you select this option

Payout Options

Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually

If no payment frequency is selected, payment will be set-up for the default option of monthly.

Systematic Start Date: _____

If start date is not provided, the payment start date will be the date your request is processed. The receipt date of your payment is dependent upon the payment method you select.

SELECT ONE SYSTEMATIC PAYMENT OPTION

☐ Fixed Dollar Payment

Specified amount (minimum of \$25) paid to you until your account balance is zero (final payment may be less).

The number of payments you receive will vary depending on the earnings (gains/losses) your account experiences.

Payment Amount: \$ _____ (Amount including tax withholding)

☐ Please check to include the cost of living adjustment (COLA)

☐ Fixed Period Payment

Account balance paid to you for the number of years selected. The actual dollar amount will vary depending on the earnings (gains/losses) your account experiences, and the duration requested. You must choose a calculation method for your payment. If no calculation method is selected, payments will default to the standard method with annual calculations.

Number of Years: _____ (1-30 years)

Please select a calculation method:

Standard: ☐ Annually (Default Option) **OR** ☐ Per Pay Period

Assumed Growth Rate: ☐ COLA# (#Cost of living adjustment) ☐ 3% ☐ 4% ☐ 5% ☐ 6% ☐ 7% ☐ 8% ☐ 9%

☐ Life Expectancy and Lifetime Payment

Please select a calculation method:

Life Expectancy / Joint Life Expectancy*: ☐ Life Expectancy **OR** ☐ Joint Life Expectancy*

Lifetime / Joint Lifetime*: ☐ Lifetime **OR** ☐ Joint Lifetime*

*Joint Life and Joint Lifetime calculations will be based on the joint life expectancy of you and your primary beneficiary at the time of calculation.

Beneficiary Date of Birth (MM/DD/YYYY): _____

Important Information

Money Sources

Funds will be withdrawn equally across all money sources and investment options for each requested distribution unless instructed otherwise. Distributions from rollover and Roth sources may be subject to an additional excise tax.

Distribution Reasons

The terms of the Plan Document govern the availability of distribution types. All distribution types offered on this form may not be permitted under the terms of your Plan.

Self-Directed Brokerage Account

If you have money in the Self-directed Brokerage account and the requested amount exceeds your core account balance, you will need to transfer funds back to the core account before your request can be processed. If you select a systematic payment, you will need to maintain a sufficient balance in your core account to cover your elected amount.

If you would like to confirm or update your beneficiary information, please visit our website at nrsforu.com or contact our customer service center at 877-677-3678.

Payment Method (select one)

- ☐ ACH Instructions on File – Send funds to my bank account that Nationwide has on file.
- ☐ Send check by first class mail to my address of record. Allow 5 to 10 business days from process date for delivery. (Default option, if no other option is selected)
- ☐ I authorize NRS to send my payout check to me via overnight check to address of record for a fee of \$25 (We will deduct the \$25 from your account. Please also note, we can't offer overnight delivery to a PO Box and Saturday delivery may not be available in your area).
- ☐ New Direct Deposit ACH (complete information below)

Financial Institution Information:

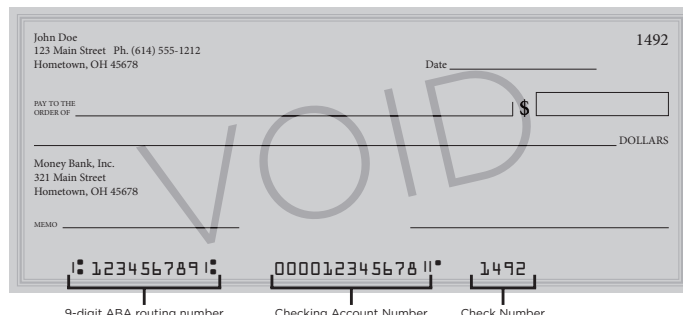
Financial Institution Name _____

Account Type: ☐ Checking ☐ Savings

If account type is not selected, checking will be used.

Transit/ABA routing Number _____

Account Number _____



Account Verification: The following documents are required to verify ownership of the account provided:

- **Checking Accounts:** Please include a pre-printed voided check with this authorization.
- **Savings Accounts:** Please include a letter from the bank, signed by a bank representative, which indicates the ABA routing number, the account number and the account holder's name for verification.

NOTE: Direct Deposit is only offered through members of the Automatic Clearing House (ACH). We cannot accept a deposit slip or starter check for banking numbers.

Is this account associated with a brokerage firm or other investment firm? ☐ Yes ☐ No

If yes, have you confirmed that the ABA and account numbers are correct? ☐ Yes ☐ No

I hereby authorize Nationwide to initiate automatic deposits to my account at the financial institution named above. In the event an error is made, I authorize Nationwide to make a corrective reversal from this account. Further, I agree not to hold Nationwide responsible for any delay or loss of funds due to incorrect or incomplete information supplied by me or by my financial institution or due to an error on the part of my financial institution in depositing funds to my account. This agreement will remain in effect until Nationwide receives a written notice of cancellation from me or my financial institution, or until I submit a new direct deposit authorization form to Nationwide. **In the event this direct deposit authorization form is incomplete or contains incorrect information, I understand a check will be issued to my address of record.**

Tax Withholding

Withholding for Lump sum and Systematic Distributions lasting less than 10 years

Federal withholding: Taxes will be withheld based on the 402(f) special tax notice; 20% is required to be withheld for federal income taxes. You may withhold an additional amount over the 20% required.

Line 1: Mandatory 20%

Line 2: Any additional amount _____% OR \$ _____

Add Line 1 Mandatory and Line 2 Additional for line 3 Total.

Line 3: Total federal withholding _____% AND \$ _____

State withholding: State taxes will be automatically withheld if you are a resident in a state that mandates state income tax withholding. If you would like to adjust your state taxes, please complete and attach a state tax withholding form. These forms can be obtained from the State website; NRS does not supply these forms.

Withholding for Systematic Distributions equal to or greater than 10 years (including Required Minimum Distribution):

NOTE: Taxes will be withheld based on the 402(f) special tax notice)

☐ Required Minimum Distribution default of 10%

☐ I elect to opt out of federal tax withholding (0%)

☐ I would like to withhold _____% OR \$ _____ from each systematic payment

By completing this section, I understand my marital allowances will be "Married and 99 exemptions" to ensure NRS withholds the flat dollar amount or percentage I've elected.

I would like to have taxes withheld at the following tax table rates:

☐ Married ☐ Single _____ Number of exemptions

Certification

Under penalties of perjury, I certify that:

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

Authorization

By signing this form, If I have an outstanding loan and I am requesting a total distribution of my account, I understand the outstanding loan balance will be part of this total distribution and may be taxable income reported to the IRS on form 1099-R. Any pending loan payments may delay the processing of this withdrawal.

By signing below, I hereby acknowledge the following information: 1. Rollover contributions to governmental 457(b) plans that originated from qualified plans, IRAs and 403(b) plans are subject to the early distribution tax that applies to 401(a) / 401(k) plans unless an exception applicable to 401(a) / 401(k) plans applies. 2. Rollover contributions are subject to the Required Minimum Distribution (RMD) rules of the plan they are rolled into, not the plan or IRA from which they came.

Federal income tax will be withheld from your payments as required by the Internal Revenue Code. If you select a lump sum or systematic withdrawal lasting less than 10 years 20% of the taxable portion of the distribution paid to you will be withheld for federal income taxes. State taxes will be withheld where applicable. You must submit a Form W-4P (available at irs.gov), if you select a different form of distribution. State and federal taxes withheld will be reported on a form 1099-R. The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

I consent to a distribution as elected above. I understand that the terms of the plan document will control the amount and timing of any payment from the plan. Further, I certify that I have read and received the attached Special Tax Notice Regarding Plan Payments. If I elect to receive this distribution before the end of the 30 day minimum notice period, my signature on this election form shall constitute a waiver of my rights to the 30 day notice requirement, if applicable.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Participant Signature (required):

Date (required):

Form Return

By mail: Nationwide Retirement Solutions
PO Box 182797
Columbus, OH 43218-2797

By fax: 877-677-4329

Did you remember to:

- ☐ Select a payment method, frequency, and receipt date?
- ☐ Sign and date the form?
- ☐ Include all pages in the return envelope?

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice explains how you can continue to defer federal income tax on your retirement plan savings in the Plan and contains important information you will need before you decide how to receive your Plan benefits. All references to “the Code” are references to the Internal Revenue Code of 1986, as amended. This notice summarizes only the federal (not state or local) tax rules which may apply to your distribution. Because these rules are complex and contain many conditions and exceptions which we do not discuss in this notice, you may need to consult with a professional tax advisor before you receive your distribution from the Plan.

A. TYPES OF PLAN DISTRIBUTIONS

Eligibility for rollover. The Code classifies distributions into two types: (1) distributions you may roll over (“eligible rollover distributions”) and (2) distributions you may not roll over. See “Distributions not eligible for rollover” below. You also may receive a distribution under which part of the distribution is an eligible rollover distribution and part is not eligible for rollover. 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 (this excludes a rollover from a pre-tax account to a Roth IRA, described in the next to last paragraph of Section B below). The Plan Administrator will assist you in identifying which portion of your distribution is an eligible rollover distribution and which portion is not eligible for rollover.

Plans that may accept a rollover. You may roll over an eligible rollover distribution (other than Roth 401(k), 403(b) & 457(b) source deferrals and earnings) either to a Roth IRA, to a traditional IRA or to an eligible employer plan that accepts rollovers. An “eligible employer plan” includes a plan qualified under Code sections 401(a), including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan (including an ESOP) or money purchase plan; a 403(a) annuity plan; a 403(b) plan; and an eligible 457(b) plan maintained by a governmental employer (governmental 457 plan). Special rules apply to the rollover of after-tax contributions and of Roth 401(k), 403(b) & 457(b) elective deferrals. See “After-tax contributions and Roth elective deferrals” below. **YOU MAY NOT ROLL OVER ANY DISTRIBUTION TO A SIMPLE IRA OR A COVERDELL EDUCATION SAVINGS ACCOUNT (FORMERLY KNOWN AS AN EDUCATIONAL IRA).**

Deciding where to roll over a distribution. 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. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to an IRA or to split your rollover amount between the employer plan in which you will participate and an IRA. You also should find out about any documents you must complete before a receiving plan or IRA sponsor 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 also may be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover regarding subsequent distributions and taxation of the amount you will roll over, prior to making the rollover.

Distributions not eligible for rollover. An eligible rollover distribution means any distribution to you of all or any portion of your account balance under the Plan except: (1) a distribution which is part of a series of substantially equal periodic payments; (2) a required minimum distribution; (3) a hardship distribution; (4) ESOP dividends; (5) a corrective distribution; (6) a loan treated as a distribution; (7) cost of life insurance paid by the Plan; (8) payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution or (9) amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP. You may not roll over a distribution if it is part of a series of substantially equal payments made at least once a year and which will last for: (1) your lifetime (or your life expectancy), (2) your lifetime and your beneficiary’s lifetime (or life expectancies), or (3) a period of 10 years or more.

- **Required minimum distributions.** Beginning in the year in which the later of your retirement or your attainment of age 70 ½ occurs, the Code may require the Plan to make “required minimum distributions” to you. You may not roll over the required minimum distributions. Special rules apply if you own more than 5% of the Employer.
- **Hardship distributions.** Hardship distributions from a governmental 401(k) or 403(b) plan are not eligible for rollover.
- **Unforeseeable Emergency distributions.** Unforeseeable emergency distributions from a governmental 457(b) plan are not eligible for rollover.
- **Correction Distributions.** A distribution from the plan to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.
- **Loans treated as taxable “deemed” distribution.** 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 rollover, as discussed in Part C. below. Ask the Plan Administrator if distribution of your loan qualifies for rollover treatment.
- **90 day automatic enrollment withdrawals.** Amounts contributed to a governmental 457(b), 401(k) or 403(b) plan under special automatic enrollment rules that may be withdrawn at your request within 90 days of enrollment are not eligible for rollover.

After-tax Contributions and Roth 401(k), 403(b) & 457(b) Elective Deferrals.

After-tax rollover into an IRA. You may roll over your after-tax contributions to an IRA (including a Roth IRA) either directly or indirectly. The Plan Administrator will assist you in identifying how much of your payment is the taxable portion and how much is the after-tax portion. If you roll over after-tax contributions to an IRA, it is your responsibility to keep track of, and report to the IRS on the applicable forms, the amount of these after-tax contributions. This will enable you to determine the nontaxable amount of any future distributions from the IRA. Once you roll over your after-tax contributions to an IRA, you may NOT later roll over those amounts to an employer plan, but may roll over your after-tax contributions to another IRA.

After-tax rollover into an employer plan. You may DIRECTLY roll over after-tax contributions from the Plan to another qualified plan (including a defined benefit plan) or to a 403(b) plan if the other plan will accept the rollover and provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You may NOT roll over after-tax contributions from the Plan to a governmental 457(b) plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator to make a direct rollover on your behalf. Also, you may not first roll over after-tax contributions to an IRA and then roll over that amount into an employer plan.

Roth 401(k), 403(b) & 457(b) elective deferrals. You may roll over an eligible rollover distribution that consists of Roth elective deferrals and earnings (whether or not it is a "qualified" Roth distribution) either: (1) by a direct rollover to another 401(k), 403(b) or governmental 457(b) plan provided that the plan permits Roth contributions and will accept the rollover from a Roth source; or (2) by a direct or 60-day rollover to a Roth IRA. Alternatively, you can roll over the taxable portion of a non-qualified Roth distribution by a 60-day rollover to a 401(k), 403(b) or governmental 457(b) plan that permits Roth contributions. See Section C. "Taxation of Roth deferrals" and "60-day rollover option" below.

If you roll over a Roth deferral account to a Roth IRA, the amount you roll over will become subject to the tax rules that apply to the Roth IRA. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- All of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule to enable you to receive a qualified distribution from the Roth IRA (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- You will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

30-Day Notice Period/Waiver. After receiving this notice, you have at least 30 days to consider whether to receive your distribution or have the distribution 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 distribution then will be processed in accordance with your election as soon as practical after the Plan Administrator receives your election.

B. DIRECT ROLLOVER

Direct rollover process. You may elect a direct rollover of all or any portion of an eligible rollover distribution. If you elect a direct rollover, the Plan Administrator will pay the eligible rollover distribution directly to your IRA or to another eligible employer plan (or, in the case of a distribution of Roth deferrals, to a Roth IRA, or to a 401(k), 403(b) or governmental 457(b) plan that permits Roth contributions and that accepts rollovers from a Roth source) which you have designated. Alternatively, for the cash portion of your distribution, if any, the Plan Administrator may give you a check negotiable by the trustee or custodian of the recipient eligible employer plan or IRA. To complete the direct rollover, you must deliver the check to that trustee/custodian. A direct rollover amount is not subject to taxation at the time of the rollover, unless the direct rollover is from a pretax account to a Roth IRA. Except for a direct rollover of a pre-tax amount to a Roth IRA, the taxable portion of your direct rollover will be taxed later when you take it out of the 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 elect a direct rollover, your election form must include identifying information about the recipient IRA or plan.

Treatment of periodic distributions. If your Plan distribution is part of a series of payments over a period of less than ten years, each payment is an eligible rollover distribution. Your election to make a direct rollover will apply to all payments unless you advise the Plan Administrator of a change in your election. The Plan might not let you choose a direct rollover if your distributions for the year are less than \$200. The \$200 limit may apply separately to Roth distributions and pre-tax distributions.

Splitting a distribution/small distribution. If your distribution exceeds \$500, you may elect a direct rollover of only a part of your distribution, provided the portion directly rolled over is at least \$500. If your distribution is \$500 or less, you must elect either a direct rollover of the entire amount or payment of the entire amount.

Change in tax treatment resulting from a direct rollover. The tax treatment of any payment from the eligible employer plan or 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, from a qualified plan as explained below. However, if you roll over your qualified plan benefit to a 403(b) plan, a governmental 457(b) plan, or an IRA, your benefit no longer will be eligible for that special treatment. See the sections below entitled "An additional 10% tax if you are under age 59

½” and “Special tax treatment if you were born before 1936.”

Automatic rollover of certain distributions. If your distribution is an eligible rollover distribution and the Plan will distribute your account balance (without your consent as required by the Plan), you still may elect whether to receive or to roll over the distribution. The Plan may distribute your account without your consent in limited circumstances (e.g., if your vested account balance does not exceed \$5,000 or it may disregard any amounts in your account as a result of a prior rollover to the Plan). The Plan Administrator will provide you a distribution notice and/or election forms that will inform you whether the Plan will distribute your account without your consent. If the Plan does distribute without your consent, you still may elect whether to receive the distribution or to directly roll over the distribution to another plan or to an IRA (subject to the exception for distributions less than \$200 discussed above). If you do not make an election either to receive or to roll over the distribution, the Plan Administrator will roll over the distribution to an IRA in your name. You can transfer these IRA funds at any time to another IRA you designate. The Plan Administrator, in the distribution election forms, will provide you with information regarding the financial institution sponsoring this IRA.

Taxation of direct rollover of pre-tax distribution to Roth IRA. If you directly roll over a pre-tax distribution to a Roth IRA, the taxable portion of the distribution is subject to taxation for the taxable year in which the distribution occurs.

After you roll over a pre-tax distribution 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).

You also may roll over a pre-tax distribution (and any after-tax contributions you receive as part of the distribution) using an in-plan Roth direct rollover to a designated Roth account in this Plan. See “Taxation of in-plan Roth direct rollover of non-Roth account” immediately below.

Taxation of in-plan Roth direct rollover of non-Roth account. If your distribution is an eligible rollover distribution other than from a designated Roth account, the Plan may permit you to make an in-plan Roth direct rollover of the distribution to a designated Roth account in the Plan. The following special rules apply to an in-plan Roth rollover.

- If you roll over the distribution to a designated Roth account in the Plan, the amount of the distribution 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 distributions 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 attain age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for a period of at least 5 years. The 5-year period described in the preceding sentence begins on 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 your first contribution was made 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 allocable to earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies).

C. DISTRIBUTIONS YOU RECEIVE

Taxation of eligible rollover distributions. The taxable portion of an eligible rollover distribution which you elect to receive is taxable to you in the year you receive it unless, within 60 days following receipt, you roll over the distribution to an IRA, to another eligible employer plan, or in-plan direct rollovers from a non Roth account to a Roth account with the same plan.

Taxation of Roth deferrals. If your distribution includes Roth (after tax) 401(k), 403(b) or 457(b) elective deferrals, the taxation of the Roth deferrals depends on whether or not the distribution is a qualified distribution. For a distribution of Roth deferrals to be a qualified distribution, you must have satisfied two requirements: (1) the distribution must occur on or after the date you attain age 59½, on or after the date of your death, or on account of your being disabled; and (2) the distribution must occur after the end of the 5th calendar year beginning with the first calendar year for which you made Roth deferrals to the Roth 401(k) plan. If the distribution of Roth deferrals is a qualified distribution, then neither the deferrals nor the earnings distributed on the deferrals will be taxable to you. If the distribution is not a qualified distribution, then the portion of the distribution representing your Roth deferrals will not be taxable to you, but the portion of the distribution representing earnings on the Roth deferrals will be taxable to you in the year you receive the distribution, unless you elect a direct rollover as described in Section B above, or within 60 days following receipt, you roll over the distribution to a Roth IRA, or you roll over the earnings on the Roth deferrals to a qualified plan or to a 403(b) plan, as explained under “60-day rollover option” below.

Withholding on eligible rollover distributions. The taxable portion of your eligible rollover distribution that is not actually rolled over is subject to 20% federal income tax withholding. You may not waive this withholding. For example, if you elect to receive a taxable eligible rollover distribution of \$5,000, the Plan will pay you only \$4,000 and will send to the IRS \$1,000 as income tax withholding. You will receive a Form 1099-R from the Plan reporting the full \$5,000 as a distribution from the Plan. The \$1,000 withholding amount applies

against any federal income tax you may owe for the year. The direct rollover is the *only* means of avoiding this 20% withholding. Note that taxes and penalties with regard to the distribution may exceed the 20% withheld.

60-day rollover option. The direct rollover explained in Section B above is not the only way to make a rollover. If you receive payment of an eligible rollover distribution, you still may roll over all or any portion of the distribution to an IRA (including a Roth IRA, subject to the limitations described in Section A) or to another eligible employer plan that accepts rollovers, except to the extent the distribution consists of Roth deferrals and earnings on the Roth deferrals. You may roll over the Roth deferrals and earnings on the Roth deferrals to a Roth IRA, or you may roll over only the taxable earnings (if any) on the Roth deferrals (but not the Roth deferrals) to a 401(k) plan or to a 403(b) plan that permits Roth deferrals. If you decide to roll over the distribution, *you must make the rollover within 60 days of your receipt of the payment.* The portion of your distribution which you elect to roll over generally is not subject to taxation until you receive distributions from the IRA or eligible employer plan. However, see "Taxation of direct rollover of pre-tax distribution to Roth IRA," above.

You may roll over 100% of your eligible rollover distribution even though the Plan Administrator has withheld 20% of the distribution for income tax withholding. If you elect to roll over 100% of the distribution, you must obtain *other money* within the 60-day period to contribute to the IRA or eligible employer plan to replace the 20% withheld. If you elect to roll over only the 80% which you receive, the 20% withheld will be subject to taxation.

Example: Assume the taxable portion of your eligible rollover distribution is \$5,000, and you do not elect a direct rollover. The Plan pays you \$4,000, withholding \$1,000 for income taxes. However, assume within 60 days after receiving the \$4,000 payment, you decided to roll over the entire \$5,000 distribution. To make the rollover, you will roll over the \$4,000 you received from the Plan and you will contribute \$1,000 from other sources (your savings, a loan, etc.). In this case, you will not have any tax liability with respect to the Plan distribution. The Plan will report a \$5,000 distribution for the year and you will report a \$5,000 rollover. When you file your income tax return, you may receive a refund of the \$1,000 withheld. If you roll over only the \$4,000 paid from the Plan, the \$1,000 you do not roll over is taxable. In addition, the \$1,000 you do not roll over may be subject to an additional 10% tax. See "An additional 10% tax if you are under age 59 ½" below. When you file your income tax return, you still may receive an income tax refund, but the refund likely will be smaller because \$1,000 of the distribution is taxable.

Withholding on distributions not eligible for rollover. The 20% withholding described above does not apply to any taxable portion of your distribution that is not an eligible rollover distribution. You may elect whether to have federal income tax withholding apply to that portion. If you do not wish to have any income taxes withheld on that portion of your distribution, or if you wish to have an amount other than 10% withheld, you will need to sign and date IRS Form W-4P, checking the box opposite line 1. The Plan Administrator will provide you Form W-4P if your distribution includes an amount that does not constitute an eligible rollover distribution. If you do *not* return the Form W-4P to the Plan Administrator prior to the distribution, the Plan Administrator will treat the failure to return the form as an *affirmative election* to have 10% withholding apply.

An additional 10% tax if you are under age 59 ½. If you receive a distribution from a Plan other than from governmental 457(b) plan before you reach age 59½ and you do not roll over the distribution, the taxable portion of your distribution maybe subject to an additional 10% tax in addition to any federal income taxes unless an exception applies. For example, the additional 10% tax does not apply if you separate from service with the Employer during or after the calendar year in which you attain age 55, and then receive a distribution. See IRS Form 5329 and instruction for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457(b) plan, except to the extent the distribution (including earnings) is attributable to an amount you rolled over to that plan from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59 ½, unless one of the following exceptions applies:

- Payments made after you separate from service if you will be at least 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 or governmental defined contribution plan if you separated from service as a public safety officer and you were at least age 50 in the year of separation.
- Payments made due to disability.
- Payments after your death.
- Payments of ESOP dividends.
- Corrective distribution of contributions that exceed tax law limitations.
- Cost of life insurance paid by the Plan.
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment.
- Payments made directly to the government to satisfy a federal tax levy.
- Payments made under a qualified domestic relations order (QDRO).
- Payments up to the amount of your deductible medical expenses.
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001, for more than 179 days.
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of the first contribution.

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

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as (1) your own or as (2) an inherited IRA.

1. 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. You may make contributions and convert your traditional IRA to a Roth IRA.
2. 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 from the plan, 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 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. You cannot make contributions to an inherited IRA or convert a traditional IRA to a Roth 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 and in which you are a participant.) Payments under the QDRO will not be subject to the 10% additional income tax on early distributions. There are no rollover options if QDRO payments are made to a non spouse or non former spouse.

Special tax treatment if you were born before 1936. If your distribution is a "lump sum distribution" from a qualified plan, and you were born before 1936, you may elect special treatment, but only if you do not roll over any part of the lump sum distribution. If you roll over only a portion of your distribution to an IRA, a governmental 457 plan, or a 403(b) plan, this special tax treatment is not available for the rest of the payment. A lump sum distribution is a distribution, within one calendar year, of your entire vested account balance (including any nontaxable portion of your distribution) under the Plan (and certain similar plans maintained by the Employer). If you are not a self-employed individual, the distribution must occur after you attain age 59½ or after you have separated from service with the Employer. For a self-employed individual, a lump sum distribution must occur after the self-employed individual attains age 59½ or becomes disabled.

Ten-year averaging. If you receive a lump sum distribution and you were born before 1936, you can make a one-time election to figure the tax on the lump sum distribution under "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, you were born before 1936 and you were a participant in the Plan before 1974, you may elect to have the part of your lump sum distribution attributable to your pre-1974 participation taxed as long-term capital gain at a rate of 20%.

Special tax treatment election and limitations. You must have completed at least five years of active participation in the Plan for special tax treatment to apply to the lump sum distribution election. You may elect special tax treatment (ten-year averaging or capital gain treatment) by filing IRS Form 4972 with your income tax return. The instructions to Form 4972 provide further details regarding the reporting of your lump sum distribution and describe the rules for determining whether a distribution qualifies as a lump sum distribution. As a general rule, you may not elect special tax treatment for a lump sum distribution if you elected ten-year (or previously available five-year) averaging with respect to a prior lump sum distribution you received after December 31, 1986, or after you had attained age 59½. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) plan, from a governmental 457 plan or from an IRA not originally attributable to a qualified employer plan. You also may not elect special tax treatment if you previously rolled over another distribution from the Plan. Finally, you may not elect special tax treatment if you roll over your distribution to an IRA, a governmental 457 plan or a 403(b) plan and then take a distribution from the IRA, plan or annuity.

Repayment of participant loans. If you have an outstanding participant loan when you separate from service with the Employer, the Employer may reduce ("offset") your account balance by the outstanding loan balance. The loan offset is a distribution and is taxable to you unless you roll over the amount of the offset within 60 days of the date of the offset. Withholding does not apply if the loan offset is your only distribution. If you receive a distribution of cash or property in addition to the offset, withholding will apply to the entire distribution, but the withholding amount will not exceed the amount of cash or property (other than employer securities) you receive in addition to the offset. You may not roll over the amount of a defaulted plan loan that is a taxable deemed distribution.

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

FOR MORE INFORMATION

You may wish to consult with the Plan Administrator, 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, Contributions to Individual Retirement Arrangements (IRAs) and 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.

3405 NOTICE

3405 SPECIAL RULES FOR PENSIONS, ANNUITIES, AND CERTAIN OTHER DEFERRED INCOME

If you are receiving a periodic payment from your retirement plan that is not considered an eligible rollover distribution, it will be subject to federal income tax withholding unless you elect not to have withholding apply. Withholding will only apply to the portion of your distribution or withdrawal payment that is considered income, and therefore subject to federal income tax. You may elect not to have withholding apply to your distribution or withdrawal payments by properly completing, signing, dating and returning to your plan administrator the Form W-4P Withholding Certificate for Pension or Annuity Payments. Your election will remain in effect until you change or revoke it. You may change or revoke your election at any time by returning another completed, signed, and dated Form W-4P to your plan administrator. Any election or revocation will be effective no later than thirty (30) days upon receipt. You may make and revoke your withholding elections as often as you wish. A W-4P form may be obtained from your plan administrator.

If you have not properly filed with your plan administrator a Form W-4 or W-4P, either prior to or after January 1, 2004, then federal income tax will be withheld from the taxable portion of your distribution or withdrawal payments based on a filing status of married, claiming three withholding allowances.

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