Operating Engineers Trust Funds
1600 Harbor Bay Parkway, Suite 200
Alameda CA 94502-3035
(800) 844-8392 • (800) 251-5013 • OE3trustfunds.org

Hawaii Annuity Trust Fund for Operating Engineers -
2181 Lauwiliwili Street, Kapolei, HI 96707 – Fringe Benefit Office

APPLICATION FOR BENEFITS

INSTRUCTIONS:
Please PRINT.
Be sure to sign and date the application.
Mail the completed forms in the envelope provided.
INCORRECT OR INCOMPLETE INFORMATION MAY DELATY PAYMENT OF YOUR BENEFIT.

1. NAME ____ (   )______________________________
(Last) (First) (Middle) Telephone Number

2. ADDRESS ____

3. DATE LAST WORKED ___________________________ 4. SOCIAL SECURITY # _____________________________

5. DATE OF BIRTH _____________________________________
(PROVIDE PROOF OF AGE; SEE ENCLOSED "INSTRUCTIONS CONCERNING PROOFS OF AGE" FOR A LIST OF ACCEPTABLE ITEMS)

6. MARITAL STATUS: [ ] NEVER MARRIED [ ] MARRIED [ ] DIVORCED [ ] DIVORCED & REMARRIED [ ] WIDOWED

NOTICE: If married, please provide copy of your Marriage Certificate and proof of your spouse's age
If divorced, include complete copy of the Final Judgement of Dissolution (all pages), including complete copy of Any Marital Settlement Agreement(s) attached to the Final Judgement.
If widowed, please provide a copy of your spouse's Death Certificate.

SPOUSE'S NAME: (If legally married) _______________________________ DATE OF MARRIAGE ________________

SPOUSE'S SOCIAL SECURITY # __________________________________ BIRTHDATE _______________________

QUALIFIED DOMESTIC RELATIONS ORDERS: Please specify whether any of your annuity benefits under this Plan have been assigned or awarded to spouse or former spouse, child or other persons under any court judgement or order relating to the dissolution of a previous marriage (or a separation) or relating to child support payments. ______________ If "yes" please attach a copy of the judgement or order to your application.

7. REASON YOU ARE REQUESTING A DISTRIBUTION: Please check the eligibility rule under which you may qualify on the attached form titled "Eligibility Provisions of the Hawaii Annuity Plan".

8. DATE YOU REQUEST DISTRIBUTION TO BE MADE: ____

9. FORM OF PAYMENT [ ] Lump Sum [ ] Other – refer to Article 3 of the Summary Plan Description

I hereby apply for benefits from the Annuity Trust Fund for Operating Engineers. I certify under penalty of perjury that these statements are true to the best of my knowledge and belief. I understand that a false statement may disqualify me for Annuity benefits, and that the Trustees shall have the right to recover any payments made to me because of a false statement. I acknowledge that I have read the Articles and/or Sections of the Plan rules and regulations pertaining to my application.

____ _______________________________
SIGNATURE DATE

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ELIGIBILITY PROVISIONS OF THE HAWAII ANNUITY PLAN

UNDER THE CURRENT RULES AND REGULATIONS, A PARTICIPANT IN THE ANNUITY PLAN MAY RECEIVE PAYMENT OF HIS/HER ACCOUNT BALANCE UNDER THE FOLLOWING CIRCUNSTANCES:

1. _________ Receipt of a pension from the pension trust fund for Operating Engineers.

2. _________ Attainment of age 62 and no contributions to the employees individual account for at least last 3 consecutive months.

3. _________ An employee defined in section 1.08 had less than 300 hours of work in the building and construction industry in the last 24 consecutive month period.

4. ________ Any person who is no longer an employee as defined in section 1.08 (this means you have moved from a position that is covered by a collective bargaining agreement with a contributing employer to a position that is not covered by a collective bargaining agreement with a contributing employer).

5. ________ The date when an employee ceases to be entitled to receive state of Hawaii unemployment benefits. *attach proof of weeks claimed detail printout form from the unemployment office and/or the EDD form from the trust fund office.

6. ________ Entitlement to a social security disability benefit (please provide copy of Notice of Award letter).

7. ________ Contributing employer ceases to have an obligation to make contributions to the annuity plan on on behalf of its employees.

8. ________ Attainment of his required beginning date (70 ½ years old).

9. ________ Attainment of age 55, and the employee's most recent employment was with an Individual Employer that contributed only to this Fund, and the Employee has withdrawn completely and refrained from any employment in the building and construction industry. (Please provide letter signed by you advising this).

10. _______ A participant who normally does not reside within the jurisdiction of this plan; but who performs work for an individual employer in the jurisdiction of this plan a temporary assignment may, upon request, receive a distribution of his individual account following cessation of such employment. Such distribution shall not be permitted under the following circumstances:

a) the individual has previously requested and received payment of his individual account under the provisions of this subsection (b); and

b) the contributions made with respect to an individual's work have been received within the 6 month period prior to such request.

In order to receive payment of his individual account, the individual must provide such proof as the Board may require that the temporary assignment has been completed and there is no expectation of additional work for individual employers in the jurisdiction of the plan.

The Board may require such documentary proof or other evidence as it deems necessary or desirable to implement this section.

10. In the event that a distribution shall be made as a result of the participant's death prior to his retirement, distribution of the participant's accumulated share shall be available to the surviving legal spouse (if the employee and spouse were married throughout the year ending on the date of death), or if there is no surviving legal spouse, to his designated beneficiary, on the same terms as set forth in section 3.03, subject to the provisions of the provisions of the Retirement Equity act of 1984.

SECTION 1.08 EMPLOYEE

The term "employee" shall mean any employee whose work or work classification is covered by a collective bargaining agreement.

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CONSENT OF SPOUSE

I hereby consent to the distribution from the Hawaii Annuity Trust Fund for Operating Engineers requested by my spouse, recognizing that the distribution involves property in which I may claim a community or other interest.

DATE________________________________ SIGNED ____
(Spouse's signature)

SPOUSE OF ____
(Print Participant's name)

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.

____
NOTARY'S SIGNATURE

Place or attach Notary's Seal here

<u>**Operating Engineers Annuity Plan and**</u>
<u>**Hawaii Annuity Plan for Operating Engineers**</u>

30 – DAY NOTICE WAIVER STATEMENT

Notice to Participant and Spouse

Federal Law requires that the Board of Trustees provide you with a written explanation of the effect of distribution under the Operating Engineers Annuity Plan. This written explanation must be provided to you no later than 30 days prior to processing your application for annuity distribution. The 30-day minimum is intended to give you and your spouse sufficient time to weigh your options. However, you may waive the 30-day period and receive your distribution sooner by completing the ***30- Day Notice Waiver Statement*** below.

After receiving this notice, you have at least 30 days to consider whether or not to have withdrawal directly rollover to another qualified plan and/or take a taxable distribution. If you do not wish to wait until this 30-day notice period ends, you may waive the notice period by completing this form.

If you waive the 30-day waiting period, then your distribution will be processed without the waiting period. Under the law you and your spouse have the right to consider your distribution options for at least 30 days to make your decisions, and no one can force you to receive payment sooner.

If you complete the waiver below, then for 7 days after you have been given this form, you may nonetheless revoke the waiver, change your mind and take additional time to consider your benefit options.

Please note that by signing this form you are officially waiving the notice period after this 7-day period has expired.

Participant and Spouse Waiver

I, ____________________________________, have read the ***Notice to Participant and Spouse*** above. I understand that my spouse and I have the opportunity to consider my options on the annuity benefits for at least 30 days after I am provided with the application for benefit. Because I wish to receive payments of my benefits before this period ends, I voluntarily elect to waive my right to delay payment for 30 days. Instead, I request that the Plan make payment to me as soon as administratively possible after the 7th day of such forms and information are provided to me. I understand that I may change my mind and revoke this waiver during this seven-day period.

____ ______________________________
Participant's Signature Date

____ ______________________________
Spouse's Signature Date

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ROLLOVER ELECTION FORM – FORM MUST BE COMPLETED

Attention: Before completing this form, you should read the Special Tax Notice regarding plan payments carefully. You may also wish to consult your tax advisor before making this election.

Complete this form only if you will receive a payout in a lump sum, a series of payments for a scheduled period of less than 10 years, or other eligible rollover distribution.

______________________________________ ______________________________________
PARTICIPANT'S NAME SOCIAL SECURITY NUMBER

____
STREET ADDRESS

____
CITY STATE ZIP CODE

____
PARTICPANT'S SIGNATURE

If you will to receive part or all of your benefits as an "eligible rollover distribution", you may elect to have part or all of that distribution transferred directly to an Individual Retirement Account (IRA) or to another qualified retirement plan (if accept rollovers). If you choose not to have an eligible rollover distribution transferred to an IRA or other retirement plan, the Plan is required to withhold 20 percent of the payment for Federal Income taxes. (For further information on direct rollovers and withholding, please read the Special Notice Regarding Plan payments that the Plan has given you).

Check below to indicate whether or not you elect a direct rollover of you pension payment:

_____ I do not want to roll over any of my payment to an IRA or other qualified retirement plan. Pay me the full amount of my benefits, after withholding 20 percent for Federal Income taxes as required by law.

_____ I want to roll over my payment directly to an IRA or other qualified retirement plan that accepts rollovers. The IRA or other retirement plan is named below.

_____ I would like to have only part of my payment directly rolled over. Please roll over $_______________ to the IRA or qualified retirement plan named below, and pay the remainder of my benefit to me, after withholding 20 percent for Federal Income taxes as required by law.

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If you elected a direct rollover, you must provide all the following information. Until you provide this information, no direct rollover can be made.

Please make payment of my benefits on my behalf to:

______________________________ ______________________________

NAME OF IRA TRUSTEE OR QUALIFIED RETIREMENT PLAN **ACCOUNT NUMBER**

____

MAILING ADDRESS

____

____

____

PARTICIPANT'S SIGNATURE

CERTIFICATION

If you have elected a direct rollover of all or part of your benefit, please read and sign the following statement:

I certify that the recipient of a direct rollover that I have named above is an Individual Retirement Account, and Individual Retirement Annuity, or a qualified retirement plan that accepts rollover. I understand that payment of my benefits to the trustee of the IRA or qualified plan will release the Trustees of the Hawaii Annuity Trust Fund for Operating Engineers from any further obligations or responsibilities with respect to the benefits so paid.

______________________________ ______________________________

PARTICIPANT'S SIGNATURE **DATE**

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PROOFS OF AGE MUST BE PROVIDED

OPERATING ENEGINEERS ANNUITY PLAN

INSTRUCTIONS CONCERNING SUBMISSION OF PROOFS OF AGE

Proof of you age will be required before any benefits can be permitted. If you are married, it is also required that you provide your spouse's proof of age and a copy of your Marriage License.

The acceptable proofs of your age are listed below in two groups. Submit a **copy of ONE (1)** of the proofs listed in **Group A**. If you have it, or can possibly obtain it, since this class of proof of age is the more convincing. For example, in most instances, your Birth Certificate would be the best evidence.

If you cannot submit a proof in the group classification, submit **copies of TWO (2)** of the proofs listed in **Group B**. You are cautioned; however that Naturalization papers, United States passports and Immigration papers may not be copied. If you are submitting any of these, you must send the original document. It will be returned to you via certified mail.

*Additional proofs of age may be requested if the documents you submit do not constitute proof of your age.

Group A	Group B
1.Birth Certificate (Best proof in most instances)	**1.** Military Record.
2. A Baptismal Certificate or a statement as to the Date of Birth shown by a church record, certified by the custodian of such record.	**2.** Passport (U.S. Passports may not be copied: Submit original).
3. Notification of Registration of Birth in a public registry of vital statistics.	**3.** School records, certified by the custodian of such record.
4. Certification of Record of age by the U.S. Census Bureau.	**4.** Vaccination record, certified by the custodian of such record.
5. Hospital Birth record, certified by the custodian of such record.	**5.** An insurance policy which shows the age or date of birth.
6. A foreign government record.	**6.** Marriage records showing date of birth or age. (Application for Marriage License or church record, certified by the custodian of such record, or Marriage Certificate).
7. A signed statement by the physician or mid-wife who was in attendance at birth, as to the date of birth shown on their records.	**7.** Other evidence such as signed statements from persons who have knowledge of the date of birth.
8. Naturalization Record (Copy not permitted: submit original).	**8.** Letter from Social Security stating your date of birth as shown on its records.
9. Immigration Papers (Copy not permitted: submit original).	
10. State issued Identification Card or Driver License, which shows the age or date of birth.	

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Hawaii Annuity Trust Fund for Operating Engineers (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 (generally, distributions made before age 59½), 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).

What types of retirement accounts and plans may accept my rollover?

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. Generally, 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 contribution; and
- 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 applies to the part of the distribution that you must include in income and 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 plan made after you separate from service if you are a qualified public safety employee and you will be 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 (without regard to whether you itemize deductions for the taxable year);
- 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;
- Payments for certain distributions relating to certain federally declared disasters; and
- Phased retirement payments made to federal employees.

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 on the part of the distribution that you must include in income, 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:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- 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 for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is 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 is 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 a 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, 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 outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

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 include 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.

I**f you are an eligible retired public safety officer and your 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 exception applies).

If you are not a Plan participant

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

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant’s death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options and the same tax treatment that 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). However, 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 federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout 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 cashout 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 on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, Armed Forces' Tax Guide. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

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, Contributions to 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.