



# Retirement Plan In-Service Withdrawal Request Form

DEFINED CONTRIBUTION PLANS INCLUDING 401(K), PROFIT SHARING, AND 403(B)  
SUBJECT TO QUALIFIED JOINT AND SURVIVOR REQUIREMENTS

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*Your Plan Administrator or Human Resources Department can assist you in completing the In-Service Withdrawal Request Form.*



## IMPORTANT INSTRUCTIONS

- Please do not use this form if you have terminated your employment. Please use the Distribution Request Form.
- Review your most recent employee statement for the approximate vested benefits you may receive. You can obtain this information at **BenefitsForYou.com** or call CUNA Mutual Retirement Solutions at 800.999.8786.
- If you are using this form as a fillable PDF, all signatures required must be hand signed and dated.
- **Complete Sections 1-7, as applicable. The Plan Administrator must complete Section 8.**
- Your account may be assessed a distribution fee as outlined in the Summary Plan Description/Fee Disclosures available at **BenefitsForYou.com**.
- The IRS may require a 7-day waiting period from the date you receive this form to the date benefits can be distributed. If your vested account balance is \$5,000 or less, you can waive this 7-day waiting period by signing Section 6. For additional information, see *Special Tax Notice Regarding Retirement Plan Payments*. The law requires that you be given this information to help you decide how to receive your retirement plan benefits.
- If your lump sum benefit is greater than \$5,000, please read the *Qualified Joint and Survivor Annuity Notice*. If you are married, your spouse must also read this notice.
- **In order to process your benefit as quickly as possible please complete this entire form.**
- Please return the completed form to your Plan Administrator to review for completion – including necessary signatures. **The Plan Administrator is responsible to ensure this form is completed fully and accurately and will submit directly to CUNA Mutual Retirement Solutions.**

# Retirement Plan In-Service Withdrawal Request Form

DEFINED CONTRIBUTION PLANS INCLUDING 401(K), PROFIT SHARING, AND 403(B)  
SUBJECT TO QUALIFIED JOINT AND SURVIVOR REQUIREMENTS



## IMPORTANT INSTRUCTIONS

Please complete this form in its entirety and return to your Plan Administrator so we can process your benefit as quickly as possible. Please do not return it directly to CUNA Mutual Retirement Solutions.

## 1 PARTICIPANT INFORMATION

Participant Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Daytime Phone Number: \_\_\_\_\_ Email: \_\_\_\_\_ Marital Status: \_\_\_\_\_ Spouse's Name: \_\_\_\_\_  
☐ Single ☐ Married\*

\* If you are married, please complete Section 7 and review the *Qualified Joint and Survivor Annuity Notice*.

## 2 DISTRIBUTION OPTIONS

☐ Please check if your in-service withdrawal request is due to a disability.

Check one box only, follow the instructions for that box and return this form within 30 days to your Plan Administrator.

### A. Maximum Withdrawal

☐ I elect the MAXIMUM amount which is available to me at this time.

### B. Partial Withdrawal\*

☐ I elect a gross dollar amount of \$\_\_\_\_\_ to be withdrawn from one or more of the following accounts:

\$\_\_\_\_\_ from Pretax Elective Employee Deferrals – only available after age 59 ½ if your plan allows.

\$\_\_\_\_\_ from Employer Profit Sharing – only if your plan allows.

\$\_\_\_\_\_ from Employer Match – only if your plan allows.

\$\_\_\_\_\_ from Safe Harbor Match – only if your plan allows.

\$\_\_\_\_\_ from Safe Harbor Non-Elective – only if your plan allows.

\$\_\_\_\_\_ from After-tax Voluntary Employee Contributions – only if your plan allows.

\$\_\_\_\_\_ from Rollover – only if your plan allows.

\$\_\_\_\_\_ from Roth – only if your plan allows.

\$\_\_\_\_\_ from other, please specify account: \_\_\_\_\_

### C. Installment

☐ I elect to receive installments of \$\_\_\_\_\_ beginning on the 15<sup>th</sup> day of \_\_\_\_\_ (enter month, allowing 30 days for processing) and ending when my account balance is depleted.

Frequency of payments: ☐ Monthly ☐ Quarterly ☐ Semiannually ☐ Annually

\* If the amount requested exceeds the amount available under the plan, the distribution amount will be the maximum available. In addition, due to the possibility of the liquidation being placed in shares and/or dollars, the exact amount requested cannot be guaranteed. The results of the trade(s) will be as close as possible to the amount requested. If the dollar amounts entered above per source are not available a proration will be done based on sources you have in your account. If you have any questions on what is available please contact the Participant Service Center at 800.999.8786.

If you want to directly Rollover any amount of your withdrawal, please complete Section 3.

### 3 ROLLOVER INFORMATION

- ☐ I elect a direct rollover of my entire withdrawal amount.
- ☐ I elect a direct rollover of a gross dollar amount of \$ \_\_\_\_\_. Pay the remainder in cash, less any applicable income tax withholding.

**NON-ROTH FUNDS:** Please select receiving plan type: ☐ Traditional IRA ☐ Eligible Employer Plan ☐ Roth IRA\*

**AFTER-TAX CONTRIBUTIONS:** If you have after-tax contributions, they will be included in your rollover. If you prefer to receive your after-tax contributions as a cash distribution, please check this box: ☐

Make check payable to (IRA Financial Institution or Eligible Employer Plan name):

Account/Plan#:

Financial Institution or Plan Sponsor Name:

Contact Person:

Mailing Address (physical street address preferred):

Telephone:

**\* IMPORTANT:** 1) The amount rolled over will be included in your income for the year; 2) Because a rollover of pre-tax accounts to a Roth IRA will likely have significant tax implications and may require estimated tax payments and/or increased income tax withholding, participants should seek advice from a qualified tax advisor before making this election.

**ROTH FUNDS:** Please select receiving plan type: ☐ Roth IRA or ☐ Eligible Employer Plan

Make check payable to (IRA Financial Institution or Eligible Employer Plan name):

Account/Plan#:

Financial Institution or Plan Sponsor Name:

Contact Person:

Mailing Address (physical street address preferred):

Telephone:

### 4 TAX WITHHOLDING DIRECTIVE (Do not complete this Section if you are doing a direct rollover of 100% of your withdrawal)

**If you have elected a cash distribution** of all or a portion of your account balance, the 20% federal withholding will apply to the taxable portion of your distribution. You may increase your withholding by completing Form W-4P. Form W-4P is available at **BenefitsForYou.com**.

**If you have elected installment payments** (Option C in Section 2) and

- Your withdrawal schedule will exhaust your account balance in ten or more years, complete Form W-4P to indicate the amount of tax you want to have withheld to cover your federal income taxes.
- Your withdrawal schedule will exhaust your account balance in less than ten years, 20% of the taxable portion of each installment will be withheld for federal income taxes. You may increase your withholding by completing Form W-4P.

**Federal Withholding:** Select only if you want more than 20% withheld.

- ☐ Having read the *Special Tax Notice Regarding Retirement Plan Payments* for federal income tax withholding, I elect to increase my federal withholding and am enclosing the completed Form W-4P for this election. **(Note: the W-4P is only required if you request to have more than 20% withheld.)**

**Note:** It is your responsibility to let us know if you are a non-resident alien since your payment will be subject to federal income tax withholding at the rate of 30%. If so, and you wish to elect a reduced rate of withholding because your country of citizenship has entered into a tax treaty with the U.S., you may do so on Form W-8BEN and attach to this request.

**State Withholding:** Some states have mandatory withholding and/or specific tax withholding forms. The mandatory withholding rate will apply unless you elect a larger amount. Consult with your tax advisor.

State of legal residence: \_\_\_\_\_. **If you reside in the state of Michigan, the state withholding form, MI W-4P, must be used for state withholding and is found on BenefitsForYou.com or the Michigan Department of Treasury website at [www.michigan.gov](http://www.michigan.gov).**

- ☐ I elect \_\_\_\_\_% state income tax withholding. The mandatory minimum state tax will be withheld if it is greater than your election.
- ☐ I do not want to have state income taxes withheld from my distribution, if allowable by my state's withholding rules.

### 5 PAYMENT DIRECTIVE

- ☐ **Check Payment:** Your cash and/or rollover check will be mailed directly to you at the address your employer has on record with CUNA Mutual Retirement Solutions. If you would like to update your address, please contact your Plan Sponsor.

**PARTICIPANT SIGNATURE**

I have read the *Qualified Joint & Survivor Annuity Notice* and the *Special Tax Notice*, and have received a copy of the latest Summary Plan Description, and I understand that:

- I have the right to have the plan pay my retirement benefits in the QJSA form of payment and I am giving up that right;
  - I may receive less money than I would have received under the QJSA form of payment;
  - I am signing this form voluntarily;
  - I can change this In-Service Withdrawal Request Form prior to commencement of benefits. After benefits begin, I cannot change my form of payment;
  - I can transfer funds in my account up until the date my funds are distributed;
  - If my benefit is not distributed within 180 days from the date I sign this form, my election is no longer valid and a new distribution form will be required;
  - My account may be assessed a distribution fee as outlined in the Summary Plan Description/Fee Disclosures;
  - The distribution cannot be made any earlier than 7 days from the date I received this form. The date I received this form was \_\_\_\_\_. (If left blank, it will be assumed the date of your signature is the date you received this form.)
  - My spouse must consent if my balance is greater than \$5,000.
  - **The processing of my benefit will be delayed if this form is not completed in its entirety.**
- ☐ My spouse and I are legally separated and I have a court order to that effect. Note: A qualified domestic relations order (QDRO) may require you to obtain your spouse's or ex-spouse's consent. Please include court order or, if applicable, the QDRO.

Participant Signature:

Date:

**X**

**SPOUSAL CONSENT AND SIGNATURE**

My spouse has elected to receive a distribution. I have reviewed the written *Qualified Joint and Survivor Annuity Notice* and I consent to the distribution election made by my spouse. The benefit has been explained to me and I understand:

- My consent is irrevocable unless my spouse revokes the election to distribute.
- I am giving up my rights not only to the current amount of the distributed benefits, but I am also giving up my rights to any and all future increases to the distributed benefits.
- If I do not sign this In-Service Withdrawal Request Form, then my spouse will receive payments from the plan in the QJSA form of payment.
- I do not have to give up my rights to the benefits.
- I am signing this agreement voluntarily and understand my signature **must be witnessed by Plan Administrator or Notary Public.**
- If my spouse's benefit is not distributed within 180 days from the date I sign this form, my consent is no longer valid.

Spousal consent is required for all distributions from accounts with balances over \$5,000, unless an exception below applies.

**Spousal consent exceptions:**

- ☐ My spouse and I are legally separated and I have a court order to that effect. Note: A qualified domestic relations order (QDRO) may require you to obtain your spouse's or ex-spouse's consent. (Please include court order or, if applicable, the QDRO.)
- ☐ My spouse has abandoned me and I have a court order to that effect. (Please include applicable court order.)

Spousal Signature:

Date:

**X**

Spousal Signature Witness: ☐ Plan Administrator or ☐ Notary Public

If witnessed by the Plan Administrator:

Plan Administrator Signature:

Date (must be same as spousal signature, above):

**X**

If witnessed by a Notary:

**Notary — Please complete:**

State of \_\_\_\_\_, County of \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the persons who appeared before me.

Notary Signature:

Seal:

**X**

**You need to complete Sections 1 through 7, as applicable. After completing these sections, give this form to your Plan Administrator to complete Section 8. The Plan Administrator is responsible to ensure this form is completed fully and accurately and will submit directly to CUNA Mutual Retirement Solutions.**

Benefit Requested For (Employee Name):

Social Security Number:

Plan (Employer) Name:

Contract Number (8 digits):

Plan Number:

☐ 001 ☐ 002 ☐ 003 ☐ Other: \_\_\_\_\_

As Plan Administrator, I have reviewed this In-Service Withdrawal Request Form and approve and authorize the processing of this request. If this is a QDRO distribution, I certify the applicable court order is a QDRO and the plan agrees to comply with the terms of the order.

Authorized Plan Administrator Signature:

Date:

Telephone:

**X**

**FOR PLAN ADMINISTRATOR USE ONLY** Once you have approved this form for completion, including all required signatures, please upload the completed form to us through [BenefitsForYou.com](https://BenefitsForYou.com) using the "Send Distribution/Loan Form" Quick Link.



## QUALIFIED JOINT AND SURVIVOR ANNUITY NOTICE

### What is a Qualified Joint and Survivor Annuity (QJSA)?

Your plan states the automatic form of retirement benefit is a Qualified Joint and Survivor Annuity, unless you choose a different form of payment. If you are married, this Joint and Survivor Annuity form of payment provides you with monthly payments for your life. Upon your death, your spouse will receive a monthly payment equal to 50% of the monthly payment you received prior to your death. Your spouse will receive this survivor benefit for the rest of his or her life. If you are not married, the QJSA will be paid to you in the form of a single life annuity unless you choose a different form of payment. A single life annuity gives you a monthly retirement payment for the rest of your life. Upon your death, no further benefits will be paid.

### What other forms of payment can I choose?

The most common forms of non-QJSA payment include: lump sum, installments and annuities. Refer to your Summary Plan Description for the benefit options available in your plan. If you are married, your spouse must consent to the non-QJSA form of payment you elect. Your spouse's consent must be in writing and witnessed by a notary public or the Plan Administrator/Plan Representative. The following chart illustrates the financial effect of the various payment options available:

BENEFIT OPTION	DESCRIPTION (You are the participant)	ESTIMATED MONTHLY PAYMENT*	
		Participant at age 65	Spouse at age 65
Joint and 50% Survivor	You receive monthly payments for life. After your death, your spouse receives 50% of your monthly payment for the rest of his or her life.	\$52	\$26
Joint and 100% Survivor	You receive monthly payments for life. After your death, your spouse receives 100% of your monthly payment for the rest of his or her life.	\$48	\$48
Single Life Annuity	You receive monthly payments for life. Payments stop when you die. Your spouse or other beneficiary will receive no further payments.	\$58	\$0
Life Annuity with 5 Year Certain Period	You receive monthly payments for life. If you die before 5 years, your spouse or other beneficiary receives the remaining 60 guaranteed monthly payments. If you die after 5 years, your spouse or other beneficiary will receive no further payments.	\$57	\$0
Life Annuity with 10 Year Certain Period	You receive monthly payments for life. If you die before 10 years, your spouse or other beneficiary receives the remaining 120 guaranteed monthly payments. If you die after 10 years, your spouse or other beneficiary will receive no future payments.	\$56	\$0
Cash	You and your spouse, if any, agree to take a lump sum cash distribution now and receive no future payments.	\$0	\$0

\*Based on a \$10,000 withdrawal. The amounts shown are for illustration only. The actual amount of monthly benefit will depend on annuity purchase rates in effect at the time of purchase and may result in higher or lower amounts. Contact our Investment Guidance Center\*\* for a current quote at 800.999.8786.

\*\*Representatives are registered, securities are sold, and investment advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor, 2000 Heritage Way, Waverly, Iowa 50677, toll-free 866.512.6109. Non-deposit investment and insurance products are not federally insured, involve investment risk, may lose value, and are not obligations of or guaranteed by the financial institution. Investor Guidance Center team members offer retirement and investment education but do not provide investment, legal or tax advice. Participants are encouraged to consult their own advisors.

## SPECIAL TAX NOTICE REGARDING RETIREMENT PLAN PAYMENTS

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### Non-Roth Accounts

#### **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from a plan in which you participate is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are **not from a designated Roth account** (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

#### **GENERAL INFORMATION ABOUT ROLLOVERS**

##### **How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

##### **Where may I roll over the payment?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

##### **How do I do a rollover?**

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

##### **How much may I roll over?**

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the live 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.
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

### **If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?**

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a Reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

### **If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments 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 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.

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.

**If you miss the 60-day rollover deadline:**

Generally, the 60-day rollover deadline cannot be extended, but see the section entitled “If you have an outstanding loan that is being offset” for a longer deadline for certain loan offsets. The IRS, however, 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 or the later deadline for certain loan offsets. There are three ways to obtain a waiver from the IRS: (1) you qualify for an automatic waiver, (2) you self-certify that you met the requirements of a waiver, or (3) you request and receive from the IRS a private letter ruling granting a waiver (private letter ruling requests require the payment of a nonrefundable user fee). For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

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

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

**If you have an outstanding loan that is being offset:**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan. If, however, a loan offset occurs due to your termination of employment (or due to the termination of the Plan), then instead of 60 days to rollover the loan offset you have until the due date of your Federal individual income tax return (including extensions) for the year in which the plan offsets the loan offset to complete a 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 are that you cannot do a rollover if the payment is due to an “unforeseeable emergency” and the special rules under “If your payment includes employer stock that you do not roll over” and “If you were born on or before January 1, 1936” do not apply.

**If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance:**

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

**If you roll over your payment to a Roth IRA:**

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, 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 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 beneficiary of a deceased participant.** If you receive a payment from the Plan as the beneficiary 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.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

**If you are a nonresident alien:**

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

**Other special rules:**

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory 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, see IRS Publication 3, Armed Forces' Tax Guide.

**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, 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](http://www.irs.gov), or by calling 1-800-TAX-FORM.

# Roth Accounts

## YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from a plan in which you participate is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are **from a designated Roth account**. If you also receive a payment from the plan that is not from a designated Roth account, 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 designated Roth account 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?

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made 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 the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from 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 other employer plan.

### Where may I roll over the payment?

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan or section 403(b) plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, 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

### How do I do a rollover?

There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth 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 within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings 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 to a Roth IRA, you must use other funds to make up for the 20% withheld.

### **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 insurance paid by the plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- 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 S corporation stock is held by 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 a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings 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 made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution

### **If I do a rollover to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- There is no special exception for payments after separation from service.
- 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 a Roth 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 you miss the 60-day rollover deadline:**

Generally, the 60-day rollover deadline cannot be extended but see the section entitled "If you have an outstanding loan that is being offset" for a longer deadline for certain loan offsets. The IRS, however, 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 or the later deadline for certain loan offsets. There are three ways to obtain a waiver from the IRS: (1) you qualify for an automatic waiver, (2) you self-certify that you met the requirements of a waiver, or (3) you request and receive from the IRS a private letter ruling granting a waiver (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 receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are 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 included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

### **If you have an outstanding loan that is being offset:**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and, if the distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan. If, however, a loan offset occurs due to your termination of employment (or due to the termination of the Plan), then instead of 60 days to rollover the loan offset you have until the due date of your Federal individual income tax return (including extensions) for the year in which the plan offsets the loan offset to complete a rollover.

### **If you receive a nonqualified distribution and 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 is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

### **If you receive a nonqualified distribution, are an eligible retired public safety officer, and your pension payment is used to pay for health coverage or qualified long-term care insurance:**

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income nonqualified distributions 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 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, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, 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 receive a nonqualified distribution and 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 beneficiary of a deceased participant.** If you receive a payment from the Plan as the beneficiary 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 a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

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

Payments under a qualified domestic relations order. If you are the spouse or a 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 as described in this notice).

**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 (only including payments from the designated Roth account in the Plan) are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than \$1,000 will be directly rolled over to a Roth 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, see IRS Publication 3, Armed Forces' Tax Guide.

**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, 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](http://www.irs.gov), or by calling 1-800-TAX-FORM.