Reset Form

Qualified Retirement Plan Distribution Form/403(b) Application for Distribution

TD Ameritrade

Return Options:

Electronically via Message Center:

Log in and go to Client Services > Message Center to attach the file

Regular Mail:
PO Box 2760, Omaha, NE 68103-2760

Overnight Mail:
200 South 108th Avenue
Omaha, NE 68154-2631

Fax: 866-468-6268

Questions? Call a Retirement Account Specialist at **888-723-8504, option 2**

Please read the important information and instructions on the following pages. Both you and your Employer must sign Section 8. Your Employer must review Section 6. You may also need their assistance with Section 3, if you have any outstanding plan loan(s) and are taking a full distribution.

1 Participant Information

TD Ameritrade Account Number:

First Name(Legal Name): | Middle Name: | Last Name(Legal Name):

Date of Birth (MM-DD-YYYY): - -

U.S. Social Security Number(SSN): - -

Home Address (no PO box or mail drop):

City: | State: | Zip Code: - | Country:

Primary Phone number:

Plan Type: ○ Money Purchase ○ Individual 401(k) ○ Profit-Sharing ○ Roth 401(k) ○ 403(b)

Employer Name:

Employer Tax ID Number: -

Employer Street Address:

City: | State: | Zip Code: - | Country:

Distributions from multiple accounts must be submitted on separate forms.

2 Reason for Distributions *(Please check one box and complete the applicable blanks.)*

PLEASE NOTE, a direct rollover or Roth conversion is NOT a valid triggering event. A triggering event would still need to be indicated below. See section 7 for the definition of an eligible rollover distribution.

Participants of Qualified Retirement Plans generally must meet a triggering event in order to distribute funds held in the plan. Events that trigger distributions will depend on the plan type and the options elected by the adopting employer. If you have any questions please consult your Plan Administrator or the plan documents.

*Unless the distribution is directly rolled over to a Traditional IRA, Roth IRA, or transferred to another Qualified Retirement Plan, a **Mandatory Tax Withholding at a rate of 20% will apply to distributions that are eligible for rollover**.

Triggering Events:

- ○ Attainment of Normal Retirement Age – Consult with Plan Administrator concerning the normal retirement age as indicated in the plan.
- ○ Termination of Employment – Severed employment with the sponsor of the Qualified Retirement Plan.
- ○ Plan Termination – Qualified Retirement Plan is being terminated by the adopting employer. Questions related to proper plan termination, including the filing of Form 5500, should be directed to a qualified tax professional.
- ○ In-Service Distributions – If the plan allows – a Participant may be able to take distributions that do not meet the normal triggering events. Please note that special circumstances and maximum amounts revolve around In-Service distributions. See your Plan Administrator or plan documents for additional information.
- ○ Disability Distribution (Account Owner must be totally and permanently disabled as outlined in Internal Revenue Code 72(t). Clients are encouraged to attach a current copy of a physician's statement, IRS Schedule R, or Social Security disability benefits letter.)
- ○ Death Distribution – You must have an established Qualified Plan Beneficiary Account.
- ○ Death Distribution directly rolled over into spouse's IRA or Non-Spouse Beneficiary IRA – You must have an established Qualified Plan Beneficiary Account and a Beneficiary IRA or Spousal IRA.
- ○ Early Distribution – Please check one option below and see your tax advisor for guidance.
    - ○ 72(t) systematics – Exception applies under IRS Code Section 72(t). Prior to the Participant's attainment of age 59½, in substantially equal installments payable over the life expectancy of the Participant or the joint life expectancy of the Participant and Participant's benefici0ary.
    - ○ Separation – Separation from service after age 55.
    - ○ Medical – Deductible medical expenses under Section 213.
- ○ Required minimum Distribution (RMD) – Important: If your spouse is the beneficiary and is more than 10 years younger than you, please indicate here.
    - ○ Please provide spouse's date of birth (MM-DD-YYYY): __ - __ - ____. Any amounts requested over the calculated Required Minimum Distribution are subject to a mandatory 20% tax withholding.
- ○ Divorce Distribution – This distribution is pursuant to a Qualified Domestic Relations Order or marital settlement agreement, which meets the requirements of IRS Code Section 414(p).
- ○ Hardship – Needed to satisfy an immediate and heavy financial need. See your Plan Administrator or plan documents for additional information.

3 Payment Amounts *(Please check one box and complete the applicable blanks.)*

- ○ Full distribution in cash. I wish to terminate this account. Securities must be liquidated in order to process an external distribution. Securities will be moved in kind for distributions to other TD Ameritrade accounts.
    1. Do you have any outstanding plan loans? ○ Yes ○ No.

       If yes, what is the outstanding loan balance for this account? $________
    2. If this is a ROTH 401k, what is the Principal Amount of the outstanding loan(s)? $_______________

    (Please contact your employer or Plan Administrator to obtain this information and to verify that your loan is in good standing. TD Ameritrade does not maintain or track loan balances. When issuing a full distribution, we are required to withhold 20% of the loan balance from the gross distribution amount and report the "loan offset" on IRS Form 1099-R. This may result in multiple Forms 1099-R for the account.)
- ○ Partial one-time distribution in the amount of $_______________ in cash.
- ○ Partial one-time distribution of the securities listed below:

Name of Asset	Quantity of Shares	Name of Asset	Quantity of Shares

4

Distribution Method

I instruct TD Ameritrade Clearing, Inc. to distribute the amount stated in the following manner:

O **Send distribution(s) as a direct rollover to:**

1. My TD Ameritrade retirement account number: ______

Type of account: O IRA O Roth IRA (if from a Roth Qualified Plan) O IRA-SEP
O Profit Sharing Plan O Money Purchase Pension Plan O 401(k) O 403(b)

2. An IRA or other eligible retirement plan at my successor trustee.

Name of Successor Trustee:

Address:

City: | State: | Zip Code: - | Country:

Type of account: O IRA O Roth IRA (if from a Roth Qualified Plan) O IRA-SEP
O Profit Sharing Plan O Money Purchase Pension Plan O 401(k) O 403(b)

O **Direct Conversion to my TD Ameritrade Roth IRA account number:** ______
(for non-Roth Qualified Plans). (A Roth conversion is a taxable event. Please consult your tax advisor for guidance.)
Any amounts withheld for taxes and not replaced into your Roth IRA within 60 days will be considered a distribution and may be subject to a 10% early withdrawal penalty if you are under age 59½.

O **Internal Transfer to my non-IRA receiving TD Ameritrade account number:** ______

O **Check Delivery Method:**

O U.S. First-Class Mail (default)

O Overnight at My Expense

O Pick Up at Branch: Branch Name/Location: ______

Date of Pickup: - - (minimum of two business days if not faxed from branch location)

O Alternate Address (If not selected, check will be mailed to address on record)

O This is to mail to alternate address AND update my address of record.

Address:

City: | State: | Zip Code: - | Country:

O Alternate Payee

Name:

○ **Wire*** *(at my expense)*:

Name on Bank Account:

Bank Name:

Phone Number:

City:

State:

ABA/Routing Number:

Bank Account Number:

*Please attach letter of instruction for two banks, brokerage, and escrow wires to ensure we have all the information needed to process your request. For International Wires, please attach the Wire Request (International) form to your IRA Distribution form to ensure all required information is included to complete your request. This form can be located at tdameritrade.com.

○ **ACH**

Electronic (ACH) to my Checking or Savings **must have previously established connection with this bank via the website**

For previously set up ACH Bank, enter the nickname assigned to the setup or last 4 of the bank account number: ____________

5 Tax Withholding Election *(Required.)*

For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100%. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its possessions.

For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate below. You may not choose a rate less than 20%.

FEDERAL WITHHOLDING ELECTION

○ Please withhold taxes from my distribution at the default rate of 10%.

○ Please withhold taxes from my distribution at a rate of: ______% (Enter rate as a whole number between 0%-100%, no decimals).

Complete this line if you would like a rate of withholding that is different from the default withholding rate. For more information on IRS withholding tables and instructions on Form W-4R/OMB No. 1545-0074 Dept. of Treasury, Internal Revenue Service and the related worksheets, please visit irs.gov/pub/irs-pdf/fw4r.pdf. For your convenience, a federal income tax withholding calculator can be found at irs.gov/W4App.

2022 Federal Marginal Rate Tables

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding.

Single or Married filing separately		Married filing jointly or Qualifying widow(er)		Head of household	
Total income over—	**Tax rate for every dollar more**	*Total income over—*	**Tax rate for every dollar more**	*Total income over—*	**Tax rate for every dollar more**
$0	**0%**	$0	**0%**	$0	**0%**
12,950	**10%**	25,900	**10%**	19,400	**10%**
23,225	**12%**	46,450	**12%**	34,050	**12%**
54,725	**22%**	109,450	**22%**	75,300	**22%**
102,025	**24%**	204,050	**24%**	108,450	**24%**
183,000	**32%**	366,000	**32%**	189,450	**32%**
228,900	**35%**	457,800	**35%**	235,350	**35%**
552,850*	**37%**	673,750	**37%**	559,300	**37%**

* If married filing separately, use $336,875 instead for this 37% rate.

TD Ameritrade Account Number: __________

STATE WITHHOLDING ELECTION

In some cases, you may elect not to have state tax withheld, or you may tell us how much you would like us to withhold. In other cases, TD Ameritrade Clearing, Inc. is required by federal and/or state statutes to withhold a percentage of your IRA distribution for income tax purposes.

If you do not make an election, we will automatically apply withholding (if required) at the maximum rate based on your state of residency. For your reference, we have posted state withholding guidelines at tdameritrade.com/withholding.html.

I declare my permanent state of residence is (state): ________________, and that my election should reflect the requirements of that state.

If a permanent state of residence is not noted, we will default to the state on record.

Please make your election below:

- ○ I elect NOT to have state income tax withheld effective (MM-DD-YYYY): __ __ - __ __ - __ __ __ __.
- ○ Please withhold taxes from my distribution at a rate of: _____% or $_______________.

Please note: TD Ameritrade Clearing, Inc. advises you to contact your tax professional before making any election regarding state withholding elections. State law is subject to change, and TD Ameritrade Clearing, Inc. is not responsible for changes in state law that occur after the publication date of this form.

6 Waiver Election *(Participant's election to waive Qualified Joint and Survivor Annuity.) (Does not apply to 403(b) Distributions.)*

(Please complete both elections only if you are a married Participant in a Money Purchase Pension Plan or a Profit Sharing Plan which has received a transfer of assets from a Money Purchase Pension Plan, and you wish to waive the annuity form of benefit.)

Employer
The Waiver Election is applicable to all Money Purchase Pension Plans and Target Benefit Plans. It also applies to Profit Sharing Plans and 401(k) Plans if you did not select the REA Safe Harbor found in the Adoption Agreement. If you did select the REA Safe Harbor provision, please place a check mark in the indicated box.
○ As the EMPLOYER, I attest that this section DOES NOT apply to my plan.

Participant
If this election applies (that is, the box is not checked) and you want to waive the Qualified Joint and Survivor Annuity, you and your spouse must complete the Waiver Election section.

A. Qualified Joint and Survivor Annuity Waiver Election. Your plan benefit must be paid out in the form of a Qualified Joint and Survivor Annuity ("QJSA") unless you check the following election:

   - ○ I hereby acknowledge having read the attached QJSA Notice. I hereby certify that I am married, and I understand my right to waive the Qualified Joint and Survivor Annuity (with my spouse's consent), and the financial effect of such a waiver.
   - ○ I hereby elect NOT to receive my benefits under the plan in the form of a Qualified Joint and Survivor Annuity. I understand that this election may be made at any time during the 90-day period ending on the date the retirement benefits begin, and that I may only revoke this waiver at any time with the consent of my spouse. If I make this waiver, my beneficiary may determine the form of benefit in the event of my death.

B. Qualified Preretirement Survivor Annuity Election. Your plan's death benefit must be paid to your beneficiary(ies) in the form of an annuity unless you check the following election:

   - ○ I hereby acknowledge that I have read this notice and election form. I understand my right to waive the Qualified Preretirement Survivor Annuity, the time period during which I may waive, and the financial effect of a waiver of the Qualified Preretirement Survivor Annuity.
   - ○ I hereby elect NOT to have my benefit under the plan paid in the form of a Qualified Preretirement Survivor Annuity in the event my benefits have not begun at the time of my death. I understand that I may revoke this waiver at any time only with the consent of my spouse. If I make this waiver, my beneficiary may determine the form of benefit in the event of my death.

C. Spousal Consent. (Spousal consent required to waive Qualified Joint and Survivor Annuity.) I am the spouse of the Participant named above. I hereby consent to my spouse's election not to have benefits under his or her plan paid in the form of a Qualified Joint and Survivor Annuity. I understand that by consenting to my spouse's waiver, I may be forfeiting benefits I would be entitled to receive when my spouse dies. (I also understand that my consent cannot be revoked unless my spouse revokes the above waiver.) I hereby elect to waive the Qualified Joint and Survivor Annuity form of payment.

TD Ameritrade Account Number:

This section to be completed only if Section 6 applies. I am the spouse of the Participant named above. I hereby consent to my spouse's election not to have benefits under his or her plan paid in the form of a Qualified Joint and Survivor Annuity. I understand that by consenting to my spouse's waiver, I may be forfeiting benefits I would be entitled to receive when my spouse dies. (I also understand that my consent cannot be revoked unless my spouse revokes the above waiver.) I hereby elect to waive the Qualified Joint and Survivor Annuity form of payment.

Spouse's Signature:	Printed Legal Name	Date:
Sign Here X		- -

Original signatures are required; electronic signatures and/or signature fonts are not authorized.

7 Important Information and Instructions

General

Distributions from your qualified retirement plan are subject to federal (and in some cases, state) income tax withholding. For some distributions, you can elect not to have withholding apply. However, you cannot waive withholding on any eligible rollover distribution that is paid to you. See below for the definition of eligible rollover distribution and a description of the mandatory 20% withholding.

Distributions That Are Not Eligible Rollover Distributions

Election of No Withholding

If your distribution is not an eligible rollover distribution (see below for the definition of eligible rollover distribution and a description of the mandatory 20% withholding), you may elect not to have withholding apply. Check the withholding box (or boxes) if you do not want any federal (or state, if applicable) income tax withheld from your distribution. Even if you do not have income tax withheld, you are liable for payments of income tax on the taxable portion of your distribution. You may also be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate.

Nonperiodic Distributions

For non-periodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100%.

CAUTION: Remember that there are penalties for not paying enough tax during the year, either through withholding or estimated tax payments. New retirees, especially, should see Publication 505. It explains the estimated tax requirements and penalties in detail. You may be able to avoid quarterly estimated tax payments by having enough tax withheld from your pension or annuity using Form W-4R.

Instructions for Direct Rollover of Eligible Rollover Distributions

Payments from the plan that are eligible rollover distributions can be taken in two ways. You may have all or any portion of your eligible rollover distribution either (1) paid in a direct rollover to an IRA or another employer plan or (2) paid to you. If you choose to have your plan benefit paid to you, you will receive only 80% of the payment, because the Plan Administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. You cannot waive that withholding.

Eligible rollover distributions are all distributions from the plan except the following:

- required minimum distributions;
- certain distributions that are part of a series of equal (or almost equal) periodic payments that will last for your lifetime (or joint lives of you and your beneficiary) or for a specified period of 10 years or more;
- distributions to nonspouse beneficiaries of deceased Participants;
- distributions of after-tax employee contributions; and
- distributions of elective deferrals due to hardship.

Your Plan Administrator has given or will give you a notice which describes your options in greater detail.

If you want your Plan Administrator to make a direct rollover of your plan payment to an IRA or another employer plan, you must provide certain information about that IRA or plan. Your Plan Administrator will specify that information. The Plan Administrator may ask you to complete and attach a Direct Rollover Request or similar form.

8 Signature

I have read and understand the "Distribution Notice" provided to me by the Plan Administrator. I hereby request payment from the qualified retirement plan designated above in the manner indicated. In addition, if I am eligible to waive the notice requirements under Section 402(f), 417(a)(3), and 411(a)(11) of the Internal Revenue Code, I hereby waive the 30-day notice period.

I certify that all information provided by me is true and accurate, and I agree to submit additional information if requested by the Plan Administrator (employer), financial organization (Prototype Sponsor), or any plan fiduciary. No tax advice has been given to me by either the Plan Administrator or Prototype Sponsor. All decisions regarding this distribution are my own. I expressly assume the responsibility for any adverse consequences which may arise from this distribution, and I agree that the Plan Administrator, Prototype Sponsor, and any Plan fiduciary shall in no way be responsible for those consequences.

As the Plan Administrator or employer, I certify that I have reviewed this form, including any applicable information related to plan loans in Section 3.

***If the Participant or Beneficiary and Plan Administrator or Employer is one and the same, please sign and date both the Plan Administrator and Participant Signature lines.**

Sign Here	Participant or Beneficiary's Signature: X	Printed Legal Name	Date: - -
Sign Here	Plan Administrator or Employer's Signature: X	Printed Legal Name	Date: - -

Original signatures are required; electronic signatures and/or signature fonts are not authorized.

Distribution Notice

Non-Roth Notice

Your Rollover Options for Payments Not From A Designated Roth Account

You are receiving this notice because all or a portion of a payment you are receiving from your retirement plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

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

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

General Information About Rollovers

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

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

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

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

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy *(or the lives or joint life expectancy of you and your beneficiary)*
- Required minimum distributions after age 72 *(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 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 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 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, 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-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

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

> **If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.
>
> An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions *(unless an exception applies)* and required minimum distributions from your IRA do not have to start until after you are age 72.
>
> 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 72.
>
> **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.

<u>Payments under a qualified domestic relations order.</u> 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-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.

Roth Notice

Your Rollover Options For Payments From A Designated Roth Accoun

You are receiving this notice because all or a portion of a payment you are receiving from your retirement plan (the "Plan") 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.

<u>If you do a direct rollover</u>, 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.

<u>If you do not do a direct rollover</u>, 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 72 *(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 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

<u>Payments after death of the participant</u>. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, 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 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 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. The new inherited Roth IRA owner will be subjected to required minimum distributions at either 70 1/2 or 72 dependent upon the age of the decedent. (If the decedent was born on or before June 30, 1949, the inherited Roth is subjected to distribute the required minimum when the decedent would have turned 70 1/2. If they were born after June 30, 1949, the age is 72.)

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 Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

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-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.