RETIREMENT ACCOUNT
DISTRIBUTION FORM

aspire
Smart Retirement Solutions

4010 Boy Scout Blvd., Suite 450
Tampa, Florida 33607
www.aspireonline.com

RETIREMENT ACCOUNT DISTRIBUTION REQUEST CHECKLIST

A "Distribution Request Form" must be completed, signed and returned to the Plan Administrator to request a distribution from your Plan Account. Please review the accompanying "Special Tax Notice." Then, complete the "Distribution Request Form" based on the instructions provided below:

STEP 1 **Participant Information -** The Participant (or Beneficiary) must complete all information requested in this Section of the form. Exception: The last day worked is not required if the distribution request is for a Hardship Withdrawal.

STEP 2 **Employer Information -** All information in this section must be completed.

STEP 3 **Triggering Event -** The correct box should be checked to indicate the reason for the distribution. If the Participant's Beneficiary is completing the form due to the Participant's death, the Beneficiary should enter his or her own name, Social Security number and address in Section 1.

STEP 4 **General Distribution Instructions -** Please indicate the frequency and amount of the distribution request. Please Note: You must waive the 30 day "Special Tax Notice" in order to have your distribution processed sooner.

STEP 5 **Required Minimum Distributions (RMD) -** If you are taking required minimum distributions because you have attained age 72 please provide instructions. Skip this section if RMD is not applicable.

STEP 6 **Death Distribution(s) Information -** Please review and complete all information in this section. Skip this section if Death Distribution is not applicable.

STEP 7 **Equal Periodic Payments -** Complete this section for establishing a series of substantially equal periodic payments. Skip this section if equal periodic payment elections is not applicable.

STEP 8 **Payment Options -** Select the payment option. Different requirements may be applicable depending on your payment instructions. Please review carefully.

STEP 9 **Federal Income Tax Withholding -** Indicate your tax withholding election. Please Note: All distributions are subject to 20% federal income tax withholding except for direct rollovers, asset transfers, required minimum distributions, return of excess contributions, financial hardship and some death distributions.

STEP 10 **Waiver of Qualified Joint and Survivor Annuity** ***(if applicable, verify with administrator*****) -** Participant's election and spousal consent to waive Qualified Joint and Survivor Annuity.

STEP 11 **Signature & Acceptance -** Signatures REQUIRED for the following:

- Participant
- Employer/Plan Administrator

Signature Guarantee **mandatory** on Participant Signature if check mailing instructions are to a third party address.

Please review the above before you submit your request. **Incomplete forms will not be processed and will be returned to the client.** Thank you,

Aspire Financial Services, LLC

Please mail the completed form and all required supporting documents to:
Aspire Financial Services
ATTN: Distributions Dept.
4010 Boy Scout Blvd., Suite 450
Tampa, FL 33607

Fax this form to 813.425.9790 or **mail** to: Aspire, 4010 Boy Scout Blvd., Suite 450, Tampa, FL 33607. Maintain a copy for your records.
Questions? Call Client Services at 866.634.5873, M - F, 8am - 8pm ET.

Distribution Request Form

Indicate the account type: ☐ 401(k) ☐ 403(b) ☐ 457 ☐ IRA

Account Number

STEP 1 PARTICIPANT INFORMATION

First Name | Last Name | M.I.

Home/Legal Street Address (P.O. Boxes **not** accepted) | Apartment/Suite

City | State | Zip

Home Telephone Number | Business Telephone Number | Cellular Telephone Number

Email Address*

Marital Status: ☐ Single ☐ Married

Social Security Number | Date of Birth (month | day | year) | Separation Date (month | day | year)

*By providing your email address, you consent to receiving notifications regarding your loan via email. If no email is provided communications will be sent via USPS.

STEP 2 EMPLOYER INFORMATION

Employer | Plan ID Number

Employer Address

City | State | Zip

Contact Name | Title | Telephone Number

STEP 3 TRIGGERING EVENT

We recommend that you speak with a tax or financial advisor regarding the consequences of this distribution. A distribution cannot be made from a retirement account except for the following reasons. (Check one.)

IMPORTANT NOTE: Effective 1/1/2009 all distributions will require an Employer/Plan Administrator signature in Step 11, if applicable.

☐ **Normal** - Employee has reached age 59½ but is not yet taking required minimum distributions.

☐ **Severance from Employment/Early Distribution, No Known Exception** - Employee has had a severance from employment with the employer who sponsors the plan.
Note: You may rollover your account to an IRA or an employer-sponsored retirement plan without incurring any tax liability, provided the distribution is otherwise eligible for rollover (e.g. not an installment distribution over a period of more than ten years; not the portion representing a required minimum distribution after age 72.) If you are under age 55 and you take distributions from your account, and if the distributions are not rolled over, such distributions will be taxed as ordinary income and you may incur a 10%early distribution penalty.

☐ **Severance from Employment/Early Distribution, Exception Applies** - Employee has had a severance from employment with the employer who sponsors the plan and has reached age 55.
Note: if you have reached age 55, distributions from your account if not rolled over, will be taxed as ordinary income and not incur a 10% early distribution penalty.

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☐ **Required Minimum Distribution** - Employee has reached the age of 72 and is taking required minimum distributions. (Go to Step 5.)

☐ **Financial Hardship** - The Employee has encountered a financial hardship.

Note: Financial hardship shall be determined by the Employer, (Effective January 1, 2009, Aspire may request that the Employer certify factual information within its knowledge to confirm the existence of the Employee's financial hardship.) Hardship withdrawals shall be permitted only if the Employee has first made all available withdrawals and loans from all plans of the Employer and plans of entities related to the Employer in which he or she is a participant. To establish financial hardship, the Employee must demonstrate an immediate and heavy financial need, and the amount allowable as a hardship withdrawal shall not exceed the amount required to meet the immediate and heavy financial need which is not reasonably available from other resources of the Employee. Aspire will report these distributions as a code 1 (early distributions) on the Form 1099-R. The Employee is responsible for filing a Form 5329 with the IRS to report such distributions in order to avoid the 10% penalty.

☐ **Disability** - Employee has become disabled.

Note: The definition of disability within the plan document will be the criteria for determination. If no definition is present in such, disability is defined in the Internal Revenue Code as being unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. By signing this Distribution Form, you certify that you meet the requirements for a disability distribution. A series of periodic distributions cannot be requested if shares are subject to a contingent deferred sales charge.

☐ **Death** - Employee has died. (Go to Step 6.)

☐ **Qualified Domestic Relations Order (Divorce)** - Employee has been ordered by a court to transfer or distribute assets from the account to a current or former spouse or child of the Employee pursuant to a qualified domestic relations order. Please include a copy of the court order.

☐ **Excess Contributions -** Employee has made elective deferral contributions to the account in excess of the annual elective deferral limit and needs to remove the excess contribution and investment earnings attributable to such contribution.

Note: Excess contributions are taxable for the year in which the contributions are made. Excess contributions may be distributed before April 15 of the year following the year in which the excess contributions are made. Excess contributions that are not distributed before such deadline may only be distributed when otherwise distributable (i.e., following death, disability, attainment of age 59½ or on the basis of hardship) and the distribution will be taxable.

☐ **Termination of Employer's Retirement Plan**

☐ **Transfer of Assets -** Employee is transferring the assets to another contract or custodial account not maintained by the Custodian.

Note: A letter of acceptance (or similar form) signed by the new custodian and a representation signed by the new custodian or employer that the new custodian is an approved vender under the employer's plan or has obtained an employer information sharing agreement with the employer, necessary to comply with the applicable section of the Code and the final regulations promulgated there under, are required prior to the Custodian making any transfers.

☐ **In-Service Withdrawal -** One of the following must apply to be eligible for an in-service withdrawal:

☐ **Hardship** ☐ **Age 59**½

☐ **Direct Rollover -** Depositor is rolling over assets into another retirement plan or Traditional IRA.

☐ **Direct Conversion -** Depositor is rolling over assets into a Roth IRA.

One of the following must apply to be eligible to rollover or convert assets:

☐ **Severance from Employment/Plan Termination** ☐ **Age 59**½

☐ **Death of Employee and spouse is the beneficiary.** ☐ **Other**________________________________

☐ **Purchase of Service Credits -** Employee using eligible retirement account monies to buy back service credit.

STEP 4 GENERAL DISTRIBUTION INSTRUCTIONS

Frequency of distribution:

☐ One-time distribution - lump sum.

☐ I wish to establish a series of periodic distributions, to be paid out *(if applicable)*:

Withdrawal Frequency (Select only one option below.)

☐ Monthly ☐ Quarterly ☐ Annually

Amount of distribution: (Check one)

☐ Distribute the entire account. Do not select this option if you elected to receive periodic distributions above.

☐ I have an outstanding loan and understand the outstanding loan balance (principal plus interest) will be deemed a distribution and Aspire will generate a Form 1099-R at the end of the year in the amount of the outstanding loan balance plus the amount of the distribution you are requesting at this time. By signing this form, you are agreeing to these terms and conditions

☐ Distribute this dollar amount (*gross amount*): $ ☐☐☐ , ☐☐☐ . ☐☐

The dollar amount cannot exceed 95% of the total available amount

– OR –

☐ 100% of available assets

(Applicable for the following Distribution, if allowed by the plan:
Service, Normal Retirement Age, Hardship, Required Minimum Distribution)

Source(s)	Amount	100%
Equally across all sources	$	
	$	
	$	
	$	
	$	
	$	

Waiver of Waiting Period:

In accordance with Federal Regulations, your Benefit Distribution cannot be paid until at least 30 days after the date you receive a "Special Tax Notice." However, you have the right to waive this 30-day requirement in order to have your distribution processed sooner. Please check the appropriate box below:

☐ I wish to waive the 30-day waiting period.

☐ I do **not** wish to waive the 30-day waiting period.

STEP 5 REQUIRED MINIMUM DISTRIBUTIONS

If you are taking required minimum distributions (because you have retired from the employer maintaining the retirement plan and attained age 72), you may calculate the amount required to be withdrawn from your account each year or Aspire can calculate the amount required to be withdrawn. This calculated amount will be taken annually on the 15th of October. If you fail to take a required minimum distribution in any tax year, the amount of the deficiency may be subject to a 50% excess accumulations tax imposed by the IRS. (Check all that apply.)

Aspire to recalculateannually:

☐ I would like Aspire to recalculate my required minimum distribution and pay it out based on the following elections: **(If this method is selected, Proportionate is the only option available under Redemption Instructions.)**

☐ Determine my required minimum distribution amount using the IRS Uniform Lifetime Table.

☐ Determine my required minimum distribution amount using the IRS Joint Life Expectancy Table. (This option is only available if your spouse is and has been your sole primary beneficiary during the entire calendar year for which you are taking the distribution and he or she is more than ten years younger than you.)

My date of birth is: (mm/dd/yyyy) ☐☐/☐☐/☐☐☐☐

My spouse's date of birth is: (mm/dd/yyyy) ☐☐/☐☐/☐☐☐☐

If Aspire did not maintain your account at the close of last year, please provide your year-end account balance, plus the amount of any rollovers or transfers into the account which were distributed from another plan in the prior year but not received into the account until the current year:

$ ☐☐☐ , ☐☐☐ . ☐☐

Frequency of distribution:

☐ One-time distribution.

☐ I wish to establish a series of periodic distributions, to be paid out *(if applicable)*:

Withdrawal Frequency (Select only one option below.)

☐ Monthly ☐ Quarterly ☐ Annually

Employee to recalculate annually:*

***Note:** The amount of your required minimum distribution will change each year, based on your account value at the end of the preceding year. You are responsible for re-calculating the amount of your required distribution for each year and providing Aspire with updated instructions, as necessary. The amount shown below will continue to be made to you on a monthly or quarterly basis until you instruct us otherwise.

☐ I have calculated the amount of my required minimum distribution and would like it paid out as follows:

Distribute the following dollar amount from the account: $ ☐☐☐ , ☐☐☐ . ☐☐

Frequency:

☐ One-time distribution.

Note: Once minimum distributions are required to begin, you may be required to receive a minimum distribution each year. The amount of the required distribution will change each year, based on your account value at the end of the preceding year. If you select this option, no other distributions will be made to you unless and until you instruct us otherwise.

☐ I wish to establish a series of periodic distributions, to be paid out *(if applicable)*:

Withdrawal Frequency (Select only one option below.)

☐ Monthly ☐ Quarterly ☐ Annually

STEP 6 DEATH DISTRIBUTION(S) INFORMATION

- If the Employee dies on or before the April 1st following the year in which he/she attains age 72 (the "Required Beginning Date"), before required minimum distributions have commenced, all assets remaining in the Employee's account must be distributed by the end of the fifth year following the Employee's death unless (i) the beneficiary is a natural person or qualifying trust designated by the Employee (a Designated Beneficiary) and required minimum distributions are taken beginning in the year following the year of the Employee's death (in which case, distributions must be made over the Designated Beneficiary's life expectancy), or (ii) the Employee has designated the Employee's spouse as beneficiary (in which case, distributions must be made over the spouse's life expectancy beginning no later than December 31 of the year in which the Employee would have attained age 72).
- If the Employee dies after the Required Beginning Date the account will be distributed (i) if the Employee named a Designated Beneficiary, over the longer of the Employee's remaining life expectancy at death or the Designated Beneficiary's life expectancy, (ii) if the Employee named the Employee's spouse as the Designated Beneficiary, over the longer of the Employee's remaining life expectancy at death or spouse's life expectancy, (iii) if the Employee did not name a Designated Beneficiary, over the Employee's remaining life expectancy at death.
- If there are multiple Beneficiaries, each Beneficiary may make elections relative to his or her share of the account if separate accounts for each Beneficiary are established by December 31 of the year following the year of the Employee's death. Otherwise, distribution generally will be based on the life expectancy of the oldest beneficiary. Additional rules may apply. For more information on these rules, please see IRS Publication 590 or call Aspire.
- You may calculate the amount required to be withdrawn from your account or Aspire can calculate the amount required to be withdrawn. If a Beneficiary fails to take a required minimum distribution in any tax year, the amount of the deficiency may be subject to a 50% excess accumulation tax imposed by the IRS.

Additional Documentation Requirements and Instructions:

- Copy of a certified death certificate must be provided*
- Letters of testamentary or a certified copy of the small estate affidavit must be provided IF no Beneficiary was designated by the Employee, and*
  - a.) the Employee's surviving spouse will be the Beneficiary OR
  - b.) the Employee was unmarried at the time of his or her death, and the Employee's estate is the Beneficiary
- Each Beneficiary must submit a completed Distribution Form
- The Distribution Form must be Signature guaranteed in Step 10
- If a Beneficiary is requesting an immediate distribution of his or her entire interest in the account, he or she must submit a completed IRS Form W-9
- If a Beneficiary is electing to maintain the account and distribute his or her interest over five years or over a life expectancy, the Beneficiary will contact Aspire to obtain the appropriate account application.

*In lieu of providing certified documents the Beneficiary may provide a medallion signature guarantee in Step 10 of this distribution form.

Note: These are our minimum requirements, the plan document may have additional specifications or requirements.

Distribution Instructions: (Complete Section I or II)

I. Beneficiary Annual Recalculation Election:

Note: The amount of your required minimum distribution will change each year, based on your account value at the end of the preceding year. You are responsible for re-calculating the amount of your required distribution for each year and providing Aspire with updated instructions, as necessary. The amount shown below will continue to be made to you on a monthly or quarterly basis until you instruct us otherwise.

☐ I would like to receive the following dollar amount from the account: $ ☐☐☐ , ☐☐☐ . ☐☐
I authorize and direct Aspire to reduce this amount as necessary to pay any applicable account maintenance fees, contingent deferred sales charges and federal income tax withholding. If you selected periodic distributions above, this will be the amount of each installment distribution. I understand this amount may be further reduced by any applicable redemption fees.

☐ Distribute the following dollar amount from the account: $ ☐☐☐ , ☐☐☐ . ☐☐
I understand that the amount of the distribution check that I receive will be reduced by any applicable account maintenance fees, redemption fees, contingent deferred sales charges and federal income tax withholding. If you selected periodic distributions, this will be the amount of each distribution.

Frequency:

☐ One-time distribution.
Note: You may be required to receive a minimum distribution each year. The amount of the required distribution will change each year, based on your account value at the end of the preceding year. If you select this option, no other distributions will be made to you unless and until you instruct us otherwise.

☐ I wish to establish a series of periodic distributions, to be paid out:

1. Withdrawal Frequency (Select only one option below.)
   ☐ Monthly ☐ Quarterly ☐ Annually

2. Transactions should begin during the month of____________________________________(e.g., Jan, Feb, etc.)

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II. Aspire Annual Recalculation Method: (If this method is selected, Proportionate is the only option available under Redemption Instructions.)

☐ I am the Designated Beneficiary of the account for purposes of calculating required distributions, and I would like Aspire to calculate my required minimum distribution each year and pay it out based on the following information:

Check one:

☐ I am the surviving spouse of the Employee. My date of birth is: (mm/dd/yyyy) __ __ / __ __ / __ __ __ __

☐ I am not the surviving spouse of the Employee. My date of birth is: (mm/dd/yyyy) __ __ / __ __ / __ __ __ __

The beneficiary is a trust. If beneficiaries are named for the trust, and the owner died before his or her Required Beginning Date, proceeds distributed may be based on the eldest primary beneficiary's single life expectancy. If the Employee died after his or her Required Beginning Date, proceeds distributed may be based on the account owner or eldest primary beneficiary's single life expectancy.

The date of birth for the calculation is: (mm/dd/yyyy) __ __ / __ __ / __ __ __ __

☐ The beneficiary is the Employee's Estate. Distributions may be based on the Employee's single life expectancy if the Employee died after his or her Required Beginning Date.

Frequency:

☐ I wish to establish a series of periodic distributions, to be paid out:

1. Withdrawal Frequency (Select only one option below.)
   ☐ Monthly ☐ Quarterly ☐ Annually
2. Transactions should begin during the month of______________________________(e.g., Jan, Feb, etc.)

STEP 7 EQUAL PERIODIC PAYMENTS (Check either I or II below.)

I wish to establish a series of substantially equal periodic payments according to the following elections and based on the following information: **(the employee, if younger than age 59½, must be separated from service in order to avoid the IRS 10% premature distribution penalty when choosing this option.) Note:** Aspire will report substantially equal periodic payment distributions as a code 1 (early distribution) on the Form 1099-R. The Employee is responsible for filing a Form 5329 with the IRS to report such distributions in order to avoid the 10% penalty.

I. ☐ **Required Minimum Distribution Method.** The payment for each year should be determined by dividing my account balance for that year by my life expectancy factor, utilizing the following life expectancy table: (If this method is selected, Proportionate is the only option available under Redemption Instructions.)

☐ IRS Uniform Lifetime Table ☐ IRS Single Life Expectancy Table ☐ IRS Joint Life Expectancy Table

My eldest primary beneficiary's date of birth is:
(Required only if you have elected to use the IRS Joint Life Expectancy Table.) (mm/dd/yyyy) __ __ / __ __ / __ __ __ __

II. ☐ **Fixed Amortization Method.** I have determined the payment for each year by amortizing in level amounts my account balance over a specified number of years utilizing one of the IRS life expectancy tables and a reasonable interest rate.

☐ **Fixed Annuitization Method.** I have determined the payment for each year by dividing my account balance by an annuity factor that is the present value of an annuity of $1 per year beginning at my age and continuing for the expectancy of my life or the joint lives of myself and my eldest primary beneficiary. The annuity factor is derived using the mortality table provided in IRS Revenue Ruling 2002-62.

☐ I would like to receive the following dollar amount from the account: $ __ __ __ , __ __ __ . __ __
I authorize and direct Aspire to reduce this amount as necessary to pay any applicable account maintenance fees, contingent deferred sales charges and federal income tax withholding. If you selected periodic distributions above, this will be the amount of each installment distribution. I understand this amount may be further reduced by any applicable redemption fees.

☐ Distribute the following dollar amount from the account: $ __ __ __ , __ __ __ . __ __
I understand that the amount of the distribution check that I receive will be reduced by any applicable account maintenance fees, redemption fees, contingent deferred sales charges and federal income tax withholding. If you selected periodic distributions, this will be the amount of each distribution.

Frequency:

☐ I wish to establish a series of periodic distributions, to be paid out:

1. Withdrawal Frequency (Select only one option below.)
   ☐ Monthly ☐ Quarterly ☐ Annually (Not available for Class B or C shares.)
2. Transactions should begin during the month of______________________________(e.g., Jan, Feb, etc.)

STEP 8 PAYMENT OPTIONS

By Check:

NOTE: Unless the overnight mail option is selected, checks will be sent via U.S. Mail.

- ☐ Send check via overnight mail. A fee of $35 applies.

- ☐ Make check payable to the Employee and mail to the Employee's address of record.
- ☐ Make check payable to new custodian or plan trustee as a transfer or rollover per the attached letter of acceptance.
- ☐ Mail check to third party address (Signature Guarantee required in Step 10)

Make check payable to:

____

____
ATTN

____
Bank Address

________________________ __________ __________
City State Zip

STEP 9 FEDERAL INCOME TAX WITHHOLDING (You must make an election if 20% mandatory withholding does not apply.)

All distributions are subject to 20% federal income tax withholding except for direct rollovers, asset transfers, required minimum distributions, return of excess contributions, financial hardship and some death distributions. Hardships and RMDs will be taxed at 10% unless indicated that no federal taxes should be withheld.

If 20% mandatory withholding does apply to your distribution, Aspire will automatically withhold this amount.
If 20% mandatory withholding does not apply to your distribution, 10% withholding will apply unless you indicate below a different percentage to withhold.

- ☐ I do not want any federal income tax withheld from my distribution.
- ☐ I want federal income tax withholding at a rate of__________%

If state income tax withholding applies, Aspire will also withhold this amount. Withholding will only apply to the portion of your distribution that is included in your income subject to federal income tax. Thus, for example, there will be no withholding on the return of your own nondeductible contributions. If you elect not to have withholding applied to your distributions, or if you do not have enough federal income tax withheld from your distributions, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Note: Distributions and withholding are taxable and may be subject to a 10% premature distribution penalty if you are under 59½ years of age unless an exception applies.

STEP 10 WAIVER OF QUALIFIED JOINT AND SURVIVOR ANNUITY (if applicable, verify with administrator)

Participant's Election to Waive Qualified Joint and Survivor Annuity:
As a participant in my employer's Qualified Retirement Plan, I acknowledge and understand that the benefits will be paid to me in the form of a Qualified Joint and Survivor Annuity unless I waive that form of payment. I understand that if I am married, my spouse must also consent to the waiver. I hereby elect to waive the Qualified Joint and Survivor form of payment.

▶ Participant Signature

Date (month | day | year) __ __ – __ __ – __ __ __ __

Spousal Consent to Waiver of 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 understand that I cannot revoke my consent unless my spouse revokes the above waiver.

▶ Spousal Consent Signature

Date (month | day | year) __ __ – __ __ – __ __ __ __

Witness of Notary:
The signature of the spouse must be witnessed by a notary public.

Subscribed and sworn to me this_______day of_____________________, 20_______. My commission expires:_______________________

▶ Witness Signature

Date (month | day | year) __ __ – __ __ – __ __ __ __

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STEP 11 SIGNATURE & ACCEPTANCE

PARTICIPANT SECTION

I hereby affirm that the information given is true and correct, and I authorize and direct the Custodian to make distributions according to the instructions provided on this form. In addition, by signing this form, I understand and acknowledge that (i) my employer may be required to execute any and all other documents, and to provide and/or share any and all other information, necessary to comply with the applicable section of the Code and the final regulations promulgated there under and (ii) there is the risk that if my employer and/or the plan is not in compliance with the applicable section of the Code and the final regulations promulgated there under that the distribution being made by Aspire under this form may be considered a disqualifying event by the Internal Revenue Service and reportable by Aspire Financial Services "Aspire". I acknowledge I will be charged a Distribution Fee as per my account agreement. ***PLEASE NOTE:*** *Recurring scheduled distributions are $10 per occurrence after the initial base fee.*

▶ Participant Signature

Date (month | day | year)

Each signature of shareholder must be guaranteed by a bank, broker-dealer, savings and loan association, credit union, national securities exchange or any other "eligible guarantor institution" as defined in rules adopted by the Securities and Exchange Commission. Signatures may also be guaranteed with a medallion stamp of the STAMP program or the NYSE Medallion Signature Program, provided that the amount of the transaction does not exceed the relevant surety coverage of the medallion. A signature guarantee may not be obtained through a notary public.

▶ Authorized Signature (Stamp & Title)

Date (month | day | year)

EMPLOYER/PLAN SPONSOR SECTION

IMPORTANT: Beginning on January 1, 2009, Aspire Financial Services "Aspire" may require the Employer to certify factual information within its knowledge as employer prior to making any distributions to the Employee (or the Beneficiary) from the Account. The information provided in connection with this request is true and accurate. The distribution directed is one that the Employee (or the Beneficiary) is permitted to receive. Furthermore, the individual signing this form on behalf of the employer referenced below hereby represents and warrants that he/she is duly authorized to execute this form on behalf of the employer and to legally bind the employer to the terms and conditions stated herein.

▶ Employer/Plan Sponsor Signature

Date (month | day | year)

ADMINISTRATOR SECTION

IMPORTANT NOTE: This information must be provided for any distribution to be processed.

Date of hire: / /

Years of service:

Vested Percentage: %

▶ Administrator Signature

Date (month | day | year)

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Special Income Tax Withholding Information

This general information is provided to help you understand state income tax withholding requirements for qualified retirement plan distributions. While we make every effort to obtain information about state tax laws from sources believed to be reliable, we cannot guarantee the accuracy or timeliness of state tax withholding information because state tax laws are subject to constant change and interpretation. We recommend that you contact your tax advisor regarding your tax withholding elections, and to answer any questions that you may have regarding your state's withholding laws.

We may be required to withhold state tax from your distribution based upon state tax law for your state of residency. Your state of residency is determined by the legal address of record on your account. In some cases, you may elect not to have withholding apply, or you may elect to increase the rate of withholding. In other cases, state tax withholding is not available.

The following states require withholding as long as federal withholding applies:

STATE	TAX
Arkansas (AR)	5.00%
California (CA)	10.00% of the Federal Withholding Amount (Participant can opt out of withholding)
Delaware (DE)	5.00%
District of Columbia (DC)	8.95%
Iowa (IA)	5.00%
Kansas (KS)	4.50%
Louisiana (LA)	6.00% (Participant can opt out of withholding)
Maine (ME)	5.00%
Maryland (MD)	7.75%
Massachusetts (MA)	5.10%
Michigan (MI)	4.25%
Nebraska (NE)	5.00%
North Carolina (NC)	4.00%
Oklahoma (OK)	5.00%
Oregon (OR)	8.00%
Vermont (VT)	27% of the Federal Withholding Amount
Virginia (VA)	4.00%

Your Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from your retirement Plan (the “Plan”) may be 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 portion of the notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account. Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

General Information About Rollovers

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

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

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

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

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

General Information About Rollovers (continued)

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 70-1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) or after death;
- Hardship distributions;
- ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

- Distributions of certain premiums for health and accident insurance

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 59-1/2, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. "This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled.

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 of up to $5,000 made to you from a defined contribution plan within one year after the birth or adoption of a child;
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year)
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after 09/11/2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters; and
- Phased retirement payments made to federal employees

General Information About Rollovers (continued)

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

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

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to $10,000 used in a qualified first-time home purchase; and
- 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 aftertax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline
Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

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

Special Rules and Options (continued)

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

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

If you were born on or before 01/01/1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income.*

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

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

f 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. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

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).*

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

Special Rules and Options (continued)

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 01/01/1936" applies only if the participant was born on or before 01/01/1936.

> **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 59-1/2 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 70-1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).
>
> 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 70-1/2 (if born before July 1, 1949) or age 72 (if born after June 30, 1949).
>
> If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options 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.

Special Rules and Options (continued)

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 and provided the Plan allows, the Plan may process a mandatory cashout of your Plan account to be directly rolled over to an Individual Retirement Arrangement (IRA) in your name. You will receive detailed information about the automatic rollover program, if applicable, in advance of any mandatory cashout.

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.

Your Rollover Options - Roth (if applicable)

You are receiving this notice because all or a portion of a payment you are receiving from your retirement Plan (the “Plan”) may be 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 portion of the notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account (if the Plan permits for it). 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 (generally, distributions made before age 59½) 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.

What types of retirement accounts and plans may accept my rollover?
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 01/01 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

General Information About Rollovers (continued)

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 (generally 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 70-1/2 (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949) 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)
- Distributions of certain premiums for health and accident insurance

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

General Information About Rollovers (continued)

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 from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments of up to $5,000 made to you from a defined contribution plan within one year after the birth or adoption of a child;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters

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:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to 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.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to $10,000 used in a qualified first-time home purchase; and
- 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. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions 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 outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset is not a qualified distribution and you do not roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA.

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

If you receive a nonqualified distribution and you were born on or before 01/01/1936
If you were born on or before 01/01/1936, 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.*

Special Rules and Options (continued)

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 receive a payment that is not a qualified distribution and you do not roll it over, you will not 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, 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 that is not a qualified distribution made before age 59½ will be subject to the 10% additional income tax on earnings allocated to the payment (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an “unforeseeable emergency” and the special rules under “If your payment includes employer stock that you do not roll over” and “If you were born on or before January 1, 1936” do not apply.

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. 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 70-1/2 (if born before July 1, 1949) or age 72 (if born after June 30, 1949).
>
> **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.

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

Special Rules and Options (continued)

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 federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise and provided the Plan allows, the Plan may process a mandatory cashout of your Plan account to be directly rolled over to an Individual Retirement Arrangement (IRA) in your name. You will receive detailed information about the automatic rollover program, if applicable, in advance of any mandatory cashout.

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.