

Governmental 457(b) withdrawal request

Because deferred compensation plan withdrawal rules are complex, please read Instructions and Special Tax Notice Regarding Payments from 457(b) Plans of State and Local Governments before completing this form.

Metropolitan Life Insurance Company

SECTION 1: General information

Participant or Alternate Payee

First name	Middle name	Last name		
Address		City	State	ZIP
Social Security number	Account number	Marital status	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female	
Daytime phone number	U.S. citizenship status <input type="checkbox"/> U.S. citizen <input type="checkbox"/> U.S. resident alien	<input type="checkbox"/> U.S. citizen <input type="checkbox"/> Nonresident alien	Preferred method of contact (choose one) <input type="checkbox"/> Phone <input type="checkbox"/> Mail	
Employer name	Employer group number	Employment status <input type="checkbox"/> Active <input type="checkbox"/> Terminated		

SECTION 2: Reason for withdrawal (Check all applicable boxes.)

- A. Participant Small Account Balance Cashout. Your account balance must be \$5,000 or less, you must not have contributed to the Plan in the last 24 months, and you must not have previously taken a withdrawal from the Plan under this provision. (In determining your account balance, the Plan may permit rollover amounts in your account to be ignored. Check with the Plan Administrator.)
- B. Participant's Age 70½ or older.
Participant's date of birth _____
- C. **Participant's Severance from Employment.** If employer's signature is not provided below, confirmation from the employer or other proof is required.

Employer signature	Title	Severance Date
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- D. **Participant's Retirement.** If employer's signature is not provided below, confirmation from the employer or other proof is required.

Employer signature	Title	Retirement Date
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- E. Trustee-to-Trustee Transfer to Another Plan Provider. Direct transfer confirmation from the accepting provider must be attached.
- F. Trustee-to-Trustee Transfer to Another Governmental 457(b) Plan in the Same State (or as otherwise permitted under the tax regulations). Direct transfer confirmation from the accepting plan must be attached.
- G. Direct Transfer to Purchase Service Credit in a Governmental Defined Benefit Plan. Direct transfer/ rollover confirmation from the accepting plan must be attached, along with a copy of the quote or letter from the plan verifying the purchase amount that will be accepted by the governmental defined benefit plan.
- H. Direct Rollover to A TSA, Qualified Plan, or Governmental 457(b) Plan. Direct rollover confirmation from the accepting plan must be attached You must also check reason A, B, C, or D above to qualify to make this direct rollover.
- I. Direct Rollover to A Traditional IRA (including SEP or SAR-SEP). Direct rollover confirmation from accepting IRA trustee, custodian, or issuer must be attached. You must also check reason A, B, C, or D above to qualify to make this direct rollover.
- J. Required Minimum Distribution of \$ _____ for _____ (year). Required after the later of participant's reaching age 70½ or separation from service with the plan sponsor. The amount you indicate here may not be rolled over or transferred.

SECTION 3: Amount and source of withdrawal

- A. I wish to withdraw my entire Account Balance.
 Check here if this is a “systematic termination” request.
(Not available under all contracts; see Instructions for details.)

Florida Residents Only

- Check this box: If your insurance agent recommended (*advised*) you to surrender your annuity contract and the surrender proceeds will NOT be used to fund or purchase another life insurance policy or annuity contract.
- The state of Florida requires that we first provide you with important disclosure information.
 - We are unable to send your surrender proceeds via EFT or wire. We will promptly send you a check.
 - Include your email address or fax number in the space provided below so we can send the important disclosure information to you.

Email address	Fax number number
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- B. I wish to withdraw a NET amount of \$ _____. (*Generally, \$500 minimum. See Instructions for exceptions.*) Only complete items below if you have variable funding option allocations in a MetLife variable annuity (*e.g., PPA, EPPA, or VestMet*).

- I wish to withdraw the requested amount on a pro rata basis across all funding options.
 I wish to withdraw the requested amount using the following allocation. (*Indicate from which funding options we should take this withdrawal. Write percentages in whole numbers, e.g., 33%, not 33 1/3% .*)

Funding options	%	Funding options	%
TOTAL			100%

SECTION 4: Payment instructions

A. **Choose One** (*Optional*)

Note: A check will be sent to the address on record if Electronic Funds Transfer or Alternate Payee is not selected below.

1. Electronic funds transfer – **Note: You must attach a copy of a voided check when requesting EFT. If a voided check is not provided a paper check will be sent to the address of record. EFT is not available with all products.**

Bank name _____

Address	City	State	ZIP
Bank ABA number	Bank account number	Type of account <input type="checkbox"/> Checking <input type="checkbox"/> Savings	

2. Check – **Note: If made payable to a third party, a signature medallion guarantee is required.**
Alternate payee

First name	Middle name	Last name
Address		
City	State	ZIP
Account number (<i>if applicable</i>)		

- B. To the extent permitted under the Internal Revenue Code, I wish to have the entire amount requested in section 3 (*net of any applicable charges*) directly transferred or rolled over as indicated in item E, F, G, H, or I of section 2 to the plan or provider below. (*Confirmation from accepting plan or provider must be attached to this form.*)

Plan or Provider name		Phone number	
Address	City	State	ZIP
Name on account		Account number	

SECTION 5: Federal income tax withholding instructions – eligible rollover distribution amounts paid to you

If you withdraw eligible rollover distribution amounts and have such amounts paid to you (*rather than transferring or rolling over such amounts to another plan or an IRA*), the taxable part of your withdrawal of such amounts will be subject to mandatory 20% Federal income tax withholding. You may have more than the mandatory 20% withheld by checking the box below and writing in a dollar amount.

- In addition to the mandatory 20% Federal income tax withholding applicable to eligible rollover distribution amounts not rolled over, I want an additional ____ % or _____ withheld on such amounts.

SECTION 6: Federal income tax withholding instructions– amounts not eligible for rollover paid to you (*Complete only if applicable.*)

If you withdraw amounts that cannot be rolled over (*for example, a required minimum distribution after you reach age 70½ or a payment to an alternate payee who is not the participant's former spouse*), the taxable part of such amounts will be subject to 10% Federal income tax withholding unless you elect not to have withholding apply. If you elect no withholding, or if you elect withholding and have insufficient Federal income tax withheld, 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 insufficient. Even if you elect no Federal income tax withholding, you are responsible for Federal income tax on the taxable part of this withdrawal.

- Do not withhold Federal income tax on payment to me of amounts not eligible for rollover. (*Note: Checking this box does not waive the mandatory 20% Federal income tax withholding on eligible rollover distribution amounts paid to you.*)

SECTION 7: State income tax withholding instructions (*Complete only if applicable.*)

Some states require MetLife to withhold state income tax if we withhold for Federal income tax. MetLife will calculate the amount of withholding for you. In some of these states, you may ask for no state income tax withholding (*even though you requested or we are required to withhold for Federal income tax*) or you may specify the amount you want withheld. In other states, no state income tax withholding will apply unless you indicate the amount you want withheld for state income tax.

- A. Do NOT withhold for state income tax. B. Withhold ____ % for state income tax.

SECTION 8: Participant/alternate payee statement & signature

As a participant or former spouse alternate payee, I understand I have the right to consider whether to make or not make a direct rollover election with respect to eligible rollover distribution amounts and to consent to a distribution from my annuity account or contract without regard to the 30-day waiting period. By submitting this completed form within 30 days of receiving the Special Tax Notice Regarding Payments from 457(b) Plans of State and Local Governments, I hereby authorize the processing of this election without regard to the 30-day waiting period. I acknowledge that I have received and read the Special Tax Notice Regarding Payments from 457(b) Plans of State and Local Governments.

I certify all of the information I have provided is true, accurate and complete to the best of my knowledge.

Under the penalties of perjury, I certify that:

- 1. The number shown on this form is my correct taxpayer identification number, and
- 2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
(If you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return, you must cross out and initial this item.)
- 3. I am a U.S. citizen or other U.S. person, and
- 4. I am not subject to FATCA reporting because I am a U.S. person and the account is located within the United States.
(If you are not a U.S. Citizen or other U.S. person for tax purposes, please cross out the last two certifications and complete appropriate IRS documentation.)

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

Sign Here	Participant/Alternate payee signature	Date (mm/dd/yyyy)
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SECTION 9: Plan administrator signature and vesting information

Participant is _____% vested. The Plan makes the following types of contributions available for hardships in the priority order listed below:

Plan administrator <i>(please print)</i>		
First name	Middle name	Last name
Sign Here	Plan administrator signature	Date (mm/dd/yyyy)

SECTION 10: Annuity information, joint & survivor annuity explanation, and spousal consent

Note: This section does not apply if your Employer’s plan does not include a joint and survivor annuity provision. Joint and Survivor Annuity. Your Employer’s plan may require that your vested Plan Account Balance be paid in the form of a joint and survivor annuity unless you and (if you are married) your spouse elect a different payment alternative. The joint and survivor annuity is payable to you for your lifetime and, upon your death, an annuity payable to your spouse for his or her lifetime. The amount of each annuity payment to your spouse will equal at least 50% of the annuity payment made to you. If you are not married or your spouse does not survive you, the payments under the joint and survivor annuity will stop at your death. For more information concerning the amount of each payment and other terms of the joint and survivor annuity, see the Plan Administrator.

You may waive your right to have your vested Plan Account Balance paid in the form of a joint and survivor annuity. If you are married and the contract value exceeds \$5,000, your spouse must consent to this waiver in order for it to be valid. You (and your spouse) may do this by completing items A. and B. below. If you make such a waiver, all or part of your vested Plan Account Balance will be paid in accordance with your withdrawal election above.

- A. Waiver of Annuity. I waive any right to claim that the part of my vested Plan Account Balance payable as a result of this withdrawal request be paid in the form of a joint and survivor annuity. I request that my vested Plan Account Balance instead be paid to me in accordance with my election above. This waiver does not affect the payment of the remainder of my vested Plan Account Balance as a joint and survivor annuity.

Sign Here	Participant signature	Date (mm/dd/yyyy)
	_____	_____

- B. Spousal Consent. *(This section must be completed if the Participant is married and the contract value exceeds \$5,000.)* I, the Participant's spouse, have received and understand the information provided above. I voluntarily consent to the payment election and above Waiver of Annuity completed by my spouse, the Participant. I understand the Plan requires my spouse's Plan Account Balance be paid as a joint and survivor annuity that will pay lifetime benefits to me if I survive my spouse. I may, but am not required to, waive my rights to this annuity. My spouse's election to not receive his or her Plan Account Balance in the form of the joint and survivor annuity is not valid unless I consent to such election. By signing this Consent, I forever waive my rights to the annuity for this part of my spouse's Plan Account Balance.

Sign Here	Spouse signature	Date (mm/dd/yyyy)
	_____	_____

SECTION 11: Instructions

Who may use this form

If you are a participant, use this form to request a withdrawal from your account under a 457(b) plan of a state or local government, other than for an unforeseeable emergency. If you are an alternate payee, use this form to request a distribution from a segregated account set up on your behalf under the plan. Do not use this form if you are a beneficiary. Please read the attached Special Tax Notice Regarding Payments from 457(b) Plans of State and Local Governments for an explanation of which plan amounts may be rolled over to IRAs or other plans, when such rollovers may be made, and the Federal income tax consequences of rollovers, direct rollovers, and payments that are not rolled over.

These instructions summarize MetLife's understanding of certain Federal and state tax rules that may apply to your withdrawal. The tax rules are complex and may contain many conditions and exceptions that are not included in these instructions. MetLife does not offer these instructions or anything contained in them as tax advice, and you may not rely upon any statement therein as such. Therefore, you may want to consult with a professional tax advisor and/or retirement planner before you request a withdrawal. You can find more specific information on the tax treatment of payments from tax-qualified retirement plans in Internal Revenue Service ("IRS") Publication 575, Pension and Annuity Income, and Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office or by calling 1-800-TAX-FORM (1-800-829-3676).

457(b) Plan withdrawal information

IRS rules restrict when you may make withdrawals from your employer's 457(b) plan. Your employer's plan may include provisions in addition to the IRS restrictions below that further restrict your ability to make withdrawals before you have a severance from employment.

Generally, distributions may not be made until you reach age 70½, have a severance from employment, or die. In-service distributions may be permitted only if you suffer an unforeseeable emergency or you request a one-time de minimis cashout distribution. Do not use this form to request an unforeseeable emergency withdrawal. A one-time de minimis cashout distribution is only available if your account balance under the plan is \$5,000 or less (*in determining your account balance for cashouts, the plan may permit rollover amounts in your account to be ignored*), you have not contributed to the plan in the last 24 months, and you have never previously received a de minimis cashout distribution from the plan.

Premature withdrawal penalty

If your account does not contain any amounts rolled over to the plan from an IRA, a 403(b) plan, or a qualified plan, the IRS 1% premature distribution penalty will **not** apply to distributions from your account. To the extent any distribution is attributable to an amount you rolled over to the plan (*adjusted for investment returns*) from another type of eligible employer plan or an IRA, a 10% IRS penalty tax applies to the taxable portion of the distribution of such amount unless the withdrawal is made:

- After you reach age 59½;
- After you die;
- Because of your disability;
- As part of a series of substantially equal periodic payments for your life or life expectancy or for the joint lives or joint life expectancies of you and your designated beneficiary, if payments begin after you separate from service;
- After you separate from service if you are 55 or older;
- To an alternate payee under a qualified domestic relations order;
- In an amount that does not exceed your allowable medical care deduction under Internal Revenue Code ("IRC") Section 213;
- To remove certain excess amounts; or
- Because of an IRS levy.

Payments to alternate payees

If you are an alternate payee who has been awarded part or all of the participant's account pursuant to a "qualified domestic relations order" or a pre-2002 "plan-approved domestic relations order," check with the Plan Administrator to determine when you may request a distribution. The Plan Administrator's confirmation of the earliest distribution date you may elect under the plan is a required document.

Trustee-to-Trustee transfers to purchase service credit

A transfer from your account to a governmental defined benefit plan is not includible in income if it is made to: (1) purchase permissive service credits, or (2) repay contributions and earnings previously refunded under a forfeiture of service credit under the defined benefit plan, or under another plan maintained by a state or local government employer within the same state. (*"Permissive service credit" means credit for a period of service recognized by the governmental defined benefit plan, only if you voluntarily contribute from your 457(b) account an amount that does not exceed the amount needed to fund the benefit attributable to the period of service and that is in addition to the regular employee contributions, if any, to the governmental defined benefit plan.*)

Required minimum distributions

All, or at least a certain minimum, of the account balance must be distributed by the required beginning date, which is April 1 of the calendar year following the later of the calendar year in which you become age 70½ or the calendar year in which you retire. *(For alternate payees, “you” in the preceding sentence means the participant.)* For each year thereafter, the minimum distribution must be made by the last day of the year.

If you do not receive the required minimum distribution, you are subject to an IRS 50% excise tax on the difference between the required minimum distribution and the amount actually distributed. See IRS Publication 575 and Treasury Regulations under 1.401(a)(9) for more information.

SECTION 12: How to complete the form

1. General information

You must complete this section to ensure accurate processing.

2. Reason for withdrawal

Check the appropriate box(es) to indicate the reason(s) for this withdrawal. If you check C or D (severance from employment or retirement), your employer must sign in Section 2 or you or your employer must provide other acceptable proof of such event. Attach any additional required paperwork *(for example, rollover or transfer confirmation from the accepting plan)*.

If you are an alternate payee who is not the participant's former spouse, you may not elect a distribution for reasons A, F, G, H, or I.

Note: If all of the following apply, complete item I: (1) you are over 70½ and separated from service, (2) you selected item 3.A. to withdraw your entire account balance, and (3) you selected reason E, F, G, H, or I in this section to request a rollover or transfer to another plan provider, another plan or an IRA. By completing item J in this section, you will ensure that your required minimum distribution for the year of your rollover or transfer is completed. If these conditions apply to you and you do not complete item J in connection with a rollover or transfer request, we will assume you have already satisfied your required minimum distribution for this plan for the year through an earlier distribution or a distribution from another account under the same plan.

3. Amount and source of withdrawal

For a complete surrender of your account, check box A. To surrender your account under the “systematic termination” provision of an Enhanced Preference Plus Account contract, also check the second box in item A. *(A “systematic termination” withdrawal will be processed in five annual installments, starting at 20% of your account balance upon receipt of your request, 25% one year later, 33⅓% two years later, 50% three years later, and 100% four years later. If you have already made a partial withdrawal from your account in the contract*

year the request is received, the 20% will be reduced by the amount of the prior partial withdrawal. You may stop the systematic termination withdrawal at any time by making a request in writing.)

For a partial withdrawal, check box B and write in the net dollar amount you wish to receive. The minimum withdrawal amount is \$500, except for VestMet contracts *(\$250 minimum for withdrawals from Separate Account divisions or \$1,000 minimum for withdrawals from the Fixed Interest Account)*. We will withdraw from your account more than the net amount you request if: (1) administrative and/or surrender charges apply to this withdrawal; (2) we are required to or you ask us to withhold Federal income taxes; or (3) we must withhold state or local income taxes. *(See Sections 5-7 of the form for additional information on income tax withholding.)* If you are making a partial withdrawal from a MetLife variable annuity *(e.g., Preference Plus Account, Enhanced Preference Plus Account, or VestMet)*, indicate how you want your withdrawal allocated. *(The distribution will automatically be prorated against all funding options if the percentages are not completed or if funds are not available in the funding options you choose.)*

4. Payment instructions

Indicate if EFT or Alternate Payee payment option is wanted. If neither is chosen a check will be mailed to the address on record. If you want to make a direct rollover or direct transfer, check box B, insert a dollar or percent, and provide mailing instructions and acceptance paperwork for the receiving plan or provider. Note: You may roll over to another eligible retirement plan under the Internal Revenue Code any eligible rollover distribution amounts that are sent to you as long as you do so within 60 days after you receive the payment. You may also be able to include additional amounts in such a rollover, including the 20% Federal income tax withheld. See the Special Tax Notice Regarding Payments from 457(b) Plans of State and Local Governments for more information.

5. Federal income tax withholding instructions – eligible rollover distribution amounts not rolled over or transferred

This section applies if your withdrawal includes eligible rollover distribution amounts and you ask to have such amounts paid to you. *(No Federal income tax withholding applies to eligible rollover distributions that are directly rolled over to an IRA, 403(b) plan, governmental 457(b) plan, or qualified plan, or that are directly transferred to a governmental defined benefit plan to purchase service credit. No Federal income tax withholding applies to amounts that are directly transferred to another provider under the plan or to another 457(b) plan.)*

Check the box in this section and write in a dollar amount only if you want an amount in addition to the mandatory 20% Federal income tax withholding to apply to the payment to you of eligible rollover distribution amounts.

6. Federal income tax withholding instructions – amounts not eligible for rollover paid to you

This section only applies to distributions to you of amounts not eligible for rollover treatment (*e.g., a required minimum distribution after reaching age 70½, payments to an alternate payee who is not the participant's former spouse*). If you are an alternate payee who is not the participant's former spouse, the distribution will be taxed to the participant pursuant to IRS Notice 89-25. If you are a U.S. citizen or resident alien and you provide a delivery address outside the U.S. or its possessions, you may not waive the 10% federal income tax withholding. If you are a nonresident alien, you must provide a completed IRS Form W-8BEN to certify your foreign status. To claim reduced withholding under a tax treaty, you must also provide an IRS Individual Taxpayer Identification Number ("ITIN"). If there is no applicable tax treaty or you do not provide an ITIN, we will automatically withhold 30% of the taxable amount for federal income tax. If you do not provide an ITIN, you must provide an updated W-8BEN every three years. If you are a nonresident alien requesting payment through a "qualified intermediary," the qualified intermediary must complete IRS Form W-8IMY.

7. State income tax withholding instructions

In the following states, state income tax must be withheld when Federal income tax is withheld: Delaware, Iowa, Kansas, Massachusetts, Maine, North Carolina, Oklahoma, Virginia, and Vermont. In California and Oregon, we will withhold for state income tax unless you tell us not to. MetLife will calculate the amount of withholding for you if you live in one of these states.

We will withhold the amount you tell us to withhold in the following states: Alabama, Arkansas, Colorado, Connecticut, District of Columbia, Georgia, Idaho, Indiana, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, Montana, North Dakota, Nebraska, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, Utah, Wisconsin, and West Virginia.

In Mississippi, we will withhold for state income tax unless your payment is made after you reach age 59½, is made as the result of your death or disability or under a QDRO, if you have separated from service and are at least age 55, or you are receiving payments based on your life expectancy or the joint life expectancies of you and a beneficiary.

8. Participant statement and signature

Read the Special Tax Notice Regarding Payments from 457(b) Plans of State and Local Governments carefully before you sign at the bottom of this section. If you are signing on behalf of the participant as his or her legal guardian or conservator, provide a copy of your appointment that has been certified by the Clerk of Court in the last 60 days. If you are signing as the participant's Attorney-in-Fact, provide a Power of Attorney Document and a Certification of Attorney in Fact. Acceptable Power of Attorney documents include: Original document, court-certified copy (*with raised seal*), or copy containing an original notary seal with the notary's statement certifying it is "a true and complete copy of the original."

9. Plan administrator signature and vesting information

The Plan Administrator must complete and sign this section. If a vesting schedule applies to the plan, the Plan Administrator must indicate the vesting percentage applicable to employer contributions. If the participant is separated from service, we will automatically transfer nonvested employer contributions to your Plan's forfeiture account when this withdrawal request is processed.

10. Annuity information, joint and survivor annuity explanation, and spousal consent

If your employer's plan has a Joint and Survivor Annuity ("J&S") provision and requires spousal consent for non-J&S forms of payment to married beneficiaries, you must sign this section of the form to acknowledge waiver of the Joint and Survivor Annuity. If you are married and the contract value exceeds \$5,000, your spouse must consent to your waiver of the Joint and Survivor Annuity.

SECTION 13: How to submit this form *Please submit this form by mail or fax*

If you fax the completed form, please do not also mail or send it.

Mail:

MetLife
PO Box 10356
Des Moines, IA 50306-0356

Express mail only:

MetLife
4700 Westown Parkway Suite 200
West Des Moines, IA 50266

Fax:

877-549-5834

We're here to help

QUESTIONS? If you have questions, please contact your representative or call the MetLife Easy Telephone Service (METS) at 1-800-560-5001 between 9:00 a.m. and 6:00 p.m. (Eastern Time), Monday through Friday.

Please retain for your records

Important Tax Information - Please Review carefully and discuss with your tax advisor or financial planner before proceeding with your distribution.

Special tax notice regarding plan payments

This notice explains how you can continue to defer federal income tax on your retirement savings under your employer's qualified retirement plan (the "Plan") and contains important information you will need before you decide how to receive your benefits. The notice is based, in part, on an Internal Revenue Service (the "IRS") model notice. As a result, certain sections of the notice may not be applicable to your Plan or your account under the Plan. Information in the notice concerning designated Roth distributions is based on proposed IRS regulations, which are subject to change.

This notice is provided to you by [MetLife] at the request of the administrator of the Plan (the "Plan Administrator") because all or part of the payment that you will soon receive from the Plan may be eligible for rollover by you or the Plan Administrator to a traditional IRA or Roth IRA, or to an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you.

Your payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account (formerly known as an education IRA). If you have made designated Roth contributions to the Plan, the Roth portion of your payment is subject to special rollover rules. The Roth portion of your payment may be rolled over to a Roth IRA; however, the portion of your payment that is not a Roth distribution cannot be rolled over to a Roth IRA, and the Roth portion of your payment cannot be rolled over to a traditional IRA.

An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code (the "Code"), including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (a "governmental 457 plan").

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as Roth amounts and non-Roth after-tax amounts (that is, after-tax contributions and earnings that are not designated Roth contributions

and earnings). If this is the case, and your distribution includes Roth amounts and non-Roth after-tax amounts, you may wish instead to roll your distribution over to a Roth IRA or traditional IRA, as applicable, or split your rollover amount between the employer plan in which you will participate and a Roth IRA or traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator.

SUMMARY

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

(1) Certain payments can be made directly to a traditional IRA or Roth IRA, as applicable, that you establish, or to an eligible employer plan that will accept the payment and hold it for your benefit (a "direct rollover"); or

(2) The payment can be paid to you.

If you choose a direct rollover:

- Your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your traditional IRA or Roth IRA, as applicable, or to an eligible employer plan that accepts your rollover. Your payment **cannot** be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. Only the Roth portion of your payment (if any) may be rolled over to a Roth IRA. The Roth portion of your payment **cannot** be rolled over to a traditional IRA.
- Your direct rollover of the nontaxable Roth portion of your payment to an eligible employer plan must be to the same type of plan as the Plan. That is, if the Plan is a 401(k) plan, the receiving plan must be a 401(k) plan.
- Your period of participation in the Plan's designated Roth account will carry over to the receiving plan in a direct rollover to an eligible employer plan; however, it will **not** carry over in a direct rollover to a Roth IRA.
- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or Roth IRA, as applicable, or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment

that is eligible for rollover paid to you:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.

- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax.

- For the portion of your payment that is **not** a Roth distribution, you can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

- For the portion of your payment that is a Roth distribution, you can roll over all or a part of the taxable and nontaxable Roth portion of your payment to your Roth IRA within 60 days after you receive the payment, but you can roll over **only** the taxable portion of your Roth distribution to an eligible employer plan that accepts your Roth rollover.

- Your period of participation in the Plan's designated Roth account will not carry over in a rollover of the Roth portion of your payment to a Roth IRA or an eligible employer plan that accepts your Roth rollover.

- If you want to roll over 100% of the payment to a traditional IRA or Roth IRA, as applicable, or to an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the portion that you received, you will be taxed on the 20% of the taxable portion that was withheld and that is not rolled over.

Your Right to Waive the 30-Day Notice Period. Generally, neither a direct rollover nor a payment can be made from the Plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

Involuntary Distribution and Automatic Rollover of Payments Less than \$5,000. If your vested benefit is less than \$5,000 and you do not elect a distribution within a

reasonable period of time after receiving this notice, the Plan may provide for the involuntary distribution of your benefit, which may be in the form of an automatic rollover to a traditional IRA or Roth IRA, as applicable, selected by the Plan. Please contact the Plan Administrator for further information concerning the Plan's involuntary distribution and automatic rollover provisions. If the Plan provides for automatic rollovers, the Plan Administrator will give you information concerning the traditional IRA and Roth IRA that the Plan has selected for such rollovers and the administrative fees that will be deducted from such IRA.

MORE INFORMATION

I. Payments That Can and Cannot Be Rolled Over

II. Direct Rollover

III. Payment Paid to You

IV. Surviving Spouses, Alternate Payees and Other Beneficiaries

I. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or Roth IRA, as applicable, or to an eligible employer plan that accepts rollovers. Payments from the Plan **cannot** be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. Only the Roth portion of a payment from the Plan may be rolled over to a Roth IRA. The Roth portion of a payment from the Plan (if any) **cannot** be rolled over to a traditional IRA. The Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

Payments Spread over Long Periods. You **cannot** roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- your lifetime (or a period measured by your life expectancy), or
- your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- a period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own more than 5% of your employer.

Hardship Distributions. A hardship distribution cannot be rolled over.

ESOP Dividends. Cash dividends paid to you on employer stock held in an employee stock ownership plan cannot be rolled over.

Corrective Distributions. A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded **cannot** be rolled over.

Loans Treated as Distributions. The amount of a Plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan offset amount is eligible for rollover, as discussed in Section III. Ask the Plan Administrator if distribution of your loan qualifies for rollover treatment.

Non-Roth After-tax Contributions. If the Plan allows non-Roth after-tax contributions, and you made non-Roth after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

a. **Rollover into a Traditional IRA.** You can roll over your non-Roth after-tax contributions to a traditional IRA either directly or indirectly. Your Plan Administrator should be able to tell you how much of your payment is the taxable portion and how much is the non-Roth after-tax portion.

If you roll over non-Roth after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the IRS on the applicable forms, the amount of these non-Roth after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your non-Roth after-tax contributions to a traditional IRA, those amounts cannot later be rolled over to an employer plan.

b. **Rollover into an Employer Plan.** You can roll over non-Roth after-tax contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a direct rollover if the other plan provides separate accounting for amounts rolled over, including separate accounting for the non-Roth after-tax employee contributions and earnings on those contributions. You can also roll over non-Roth after-tax contributions from a Code section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a direct rollover if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the non-Roth after-tax employee contributions and earnings on those contributions. You cannot roll over non-Roth after-tax contributions to a governmental 457 plan. If you want to roll over your non-Roth after-tax contributions to an employer plan that accepts these rollovers, you cannot have the non-Roth after-tax contributions paid to you first. You must instruct the Plan Administrator to make a direct rollover on your behalf. Also, you cannot first roll over non-Roth after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The Plan Administrator should be able to tell you if your payment includes amounts which cannot be rolled over.

II. Direct Rollover

A direct rollover is a direct payment of

the amount of your Plan benefits to a traditional IRA or Roth IRA, as applicable, or an eligible employer plan that will accept it. For the portion of your payment that is not a Roth distribution, you can choose a direct rollover of all or any portion of your payment that is an eligible rollover distribution, as described in Section I. A direct rollover of the Roth portion of your payment is subject to special rules, which are described below. You are not taxed on any taxable portion of your payment for which you choose a direct rollover until you later take it out of the traditional IRA or Roth IRA, as applicable, or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a direct rollover. This Plan might not let you choose a direct rollover if your distributions for the year are less than \$200.

Direct Rollover to a Traditional IRA. For the portion of your payment that is not a Roth distribution, you can open a traditional IRA to receive the direct rollover. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (*usually a financial institution*) to find out how to have your payment made in a direct rollover to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (*including limits on how often you can roll over between IRAs*).

Direct Rollover to a Roth IRA. For the Roth portion of your payment, you can open a Roth IRA to receive a direct rollover. You can make a direct rollover to a Roth IRA of both the taxable and nontaxable amounts in your Roth distribution. The income limits that generally apply to eligibility to make Roth IRA contributions do not apply to Roth rollover contributions to a Roth IRA. Your period of participation in the Plan's Roth account will not carry over in a direct rollover to a Roth IRA. Under the Roth rules, you must have at least five taxable years of participation in a Roth account in order to have a "qualified distribution" (*other requirements also apply*).

Direct Rollover to a Plan. If you are employed by a new employer that has an eligible employer plan, and you want a direct rollover to that plan, ask the plan administrator of that plan whether it will accept your rollover. If you want a direct rollover of your Roth account, you should ask the plan administrator if the plan will accept a Roth rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a direct rollover to a traditional IRA or Roth IRA, as

applicable. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

Special rules apply to a direct rollover of the Roth portion of your payment. In order to roll over the nontaxable portion of your Roth distribution to an eligible employer plan, the rollover must be a direct rollover of the entire Roth distribution to an eligible employer plan that will apply your rollover to an account that meets the Roth requirements. Also, the eligible employer plan must be the same type of plan as the distributing plan. That is, you can make a direct rollover of the nontaxable portion of your Roth distribution from a 401(k) plan to another 401(k) plan, but not to a 403(b) plan, and vice versa. In a direct Roth rollover to an eligible employer plan, your period of participation in the Plan's Roth account will carry over to the recipient plan for purposes of the "five taxable year" requirement for a qualified Roth distribution.

Direct Rollover of a Series of Payments. If you receive a payment that can be rolled over to a traditional IRA or Roth IRA, as applicable, or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting from a Direct Rollover. The tax treatment of any payment from the eligible employer plan or traditional IRA or Roth IRA, as applicable, receiving your direct rollover might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained in Section III. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA or Roth IRA, as applicable, in a direct rollover, your benefit will no longer be eligible for that special treatment (*see "Additional 10% Tax if You Are under Age 59½," and "Special Tax Treatment if You Were Born before January 1, 1936" in Section III*).

III. Payment Paid to You

If your payment can be rolled over (*see Section I*) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (*state tax withholding may also apply*). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or Roth IRA, as applicable, or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Mandatory Withholding for

Payments Eligible for Rollover. If any portion of your payment can be rolled over under Section I and you do not elect to make a direct rollover, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (*see "Sixty-Day Rollover Option" below*), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Section I, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Section I, you can still decide to roll over all or part of it to a traditional IRA or Roth IRA, as applicable, or to an eligible employer plan that accepts rollovers. If you decide to roll over the portion of your payment that is not a Roth distribution, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

For the portion of your payment that is not a Roth distribution, you can roll over up to 100% of your payment that can be rolled over under Section I, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: The taxable portion of your payment that can be rolled over under Section I is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (*your savings, a loan, etc.*). In this case,

the entire \$10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)

Special rules apply to a rollover of the Roth portion of your payment. You can roll over all or a part of the taxable and nontaxable Roth portion of your payment to your Roth IRA within 60 days after you receive the payment, but you can roll over only the taxable portion of your Roth distribution to an eligible employer plan that accepts your Roth rollover. Your period of participation in the Plan's Roth account will not carry over in a rollover of the Roth portion of your payment to a Roth IRA or an eligible employer plan that accepts your Roth rollover. If your Roth distribution is not a "qualified distribution" and you do not roll over the entire amount, the portion that is rolled over will be deemed to consist first of the taxable portion of your Roth distribution.

Additional 10% Tax If You Are under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (an "ESOP"), as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order (a "QDRO"), or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

Special Tax Treatment If You Were Born before January 1, 1936. If you receive a payment from a plan qualified under Code section 401(a) or a Code section 403(a) annuity plan that can be rolled over under Section I and you do not roll it over to a traditional IRA or Roth IRA, as applicable, or an eligible employer plan, the taxable portion of the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment (see also "Employer Stock or Securities" below). A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is as follows:

- **Ten-Year Averaging.** If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.
- **Capital Gain Treatment.** If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, a governmental 457 plan or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of your employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA or Roth IRA, as applicable, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA or Roth IRA, as applicable, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how

you elect the special tax treatment.

Employer Stock or Securities. There is a special rule for a payment from a plan that includes employer stock (or other employer securities). To use this special rule (1) the payment must qualify as a lump sum distribution, as described above, except that you do not need five years of plan participation, or (2) the employer stock included in the payment must be attributable to non-Roth after-tax employee contributions, if any. Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to a traditional IRA or Roth IRA, as applicable, or another eligible employer plan, either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA, Roth IRA or another eligible employer plan.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.

If you receive employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

Repayment of Plan Loans. If your employment ends and you have an outstanding loan from the Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA or Roth IRA, as applicable, within 60 days after the offset.

If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the

Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan payment. The amount withheld will be limited to the amount of other cash or property paid to you (other than employer securities). The amount of a defaulted Plan loan that is a taxable deemed distribution cannot be rolled over.

IV. Surviving Spouses, Alternate Payees, and Other Beneficiaries

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order" (a "QDRO"), which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Section I, paid in a direct rollover to a traditional IRA or Roth IRA, as applicable, or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or Roth IRA, as applicable, or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Section III, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Section III. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had five years of participation in the Plan.

How to Obtain Additional Information

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from the Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, *Pension and Annuity Income*, and IRS Publication 590, *Individual Retirement Arrangements*. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.

Supplemental special tax notice for distributions after December 31, 2006

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER INTO AN EMPLOYER PLAN:

(Effective starting 01/01/2007).

You can also roll over after-tax contributions and/or designated Roth contributions from an employer plan that is qualified under Code section 401(a), to another 401(a) plan (whether a defined contribution or defined benefit plan) or to a section 403(b) tax sheltered annuity using a direct rollover, but only if the other section 401(a) plan or 403(b) tax sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for after-tax employee contributions (*plus earnings*) and the designated Roth contributions (*plus earnings*).

You CANNOT roll over after-tax or designated Roth contributions to a governmental 457 plan.

If you want to roll over your after-tax and/or designated Roth contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a direct rollover on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA or designated Roth contributions to a Roth IRA and then roll that amount into an employer plan.

II. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES.

(Effective Starting 01/01/2007).

If you are a beneficiary other than a surviving spouse or an alternate payee, you may choose a direct rollover of non-Roth amounts to an inherited traditional IRA. You cannot roll over the payment yourself. Distributions from the inherited IRA must commence in accordance with the required minimum distribution rules applicable to beneficiaries no later than the December 31 of the year immediately following the year of the participant's death.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in the Special Tax Notice even if you are younger than age 59½.

If the participant named a trust as her plan beneficiary and you are the beneficiary of that trust, you may be eligible to take advantage of this treatment if certain Federal tax law conditions are met. The trustee of the trust should contact the plan administrator for more information.

III. ROLLOVER OF AFTER-TAX AMOUNTS FROM A 401(A) PLAN

(Effective January 1, 2007).

You can rollover after-tax contributions from a qualified retirement plan to an IRA or to a defined contribution plan, defined benefit plan or TSA (403(b)) annuity, but the rollover must be a direct trustee-to-trustee rollover and the transferee plan must separately account for after-tax contributions and earnings thereon.

IV. ADDITIONAL INFORMATION FOR DESIGNATED ROTH CONTRIBUTIONS

(Effective Starting January 1, 2006).

If you have made designated Roth contributions to the Plan, the Roth portion of your payment is subject to special rollover rules. The Roth portion of your payment may be rolled over to a Roth IRA. The Roth portion of your payment cannot be rolled over to a traditional IRA.

Note, even if a plan accepts rollovers, it might

not accept rollovers of certain types of distributions, such as Roth amounts and non-Roth after-tax amounts (*that is, after-tax contributions and earnings that are not designated Roth contributions and earnings*). If this is the case, and your distribution includes Roth amounts and/or non-Roth after-tax amounts, you may wish instead to roll your distribution over to a Roth IRA or traditional IRA, as applicable, or split your rollover amount between the employer plan in which you will participate and a Roth IRA or traditional IRA.

- Your direct rollover of the nontaxable Roth portion of your payment to an eligible employer plan must be to the same type of plan as the Plan. That is, if the Plan is a 401(k) plan, the receiving plan must be a 401(k) plan.
- Your period of participation in the Plan's designated Roth account will carry over to the receiving plan in a direct rollover to an eligible employer plan; however, it will not carry over in a direct rollover to a Roth IRA.
- The taxable portion of your payment will be taxed later when you take it out of the Roth IRA, as applicable, or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

For the portion of your payment that is a Roth distribution, you can roll over all or a part of the taxable and nontaxable Roth portion of your payment to your Roth IRA within 60 days after you receive the payment, but you can roll over only the taxable portion of your Roth distribution to an eligible employer plan that accepts your Roth rollover.

If you want to roll over 100% of the payment to a traditional IRA or Roth IRA, as applicable, or to an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the portion that you received, you will be taxed on the 20% of the taxable portion that was withheld and that is not rolled over.

Direct Rollover to a Roth IRA. For the Roth portion of your payment, you can open a Roth IRA to receive a direct rollover. You can make a direct rollover to a Roth IRA of both the taxable and nontaxable amounts in your Roth distribution. The income limits that generally apply to eligibility to make Roth IRA contributions do not apply to Roth rollover contributions to a Roth IRA. Your period of participation in the Plan's Roth account will not carry over in a direct rollover to a Roth IRA. Under the Roth rules, you must have at least five taxable years of participation in a Roth account in order to have a "qualified distribution" (*other requirements also apply*).

Direct Rollover to a Plan. Special rules apply to a direct rollover of the Roth portion of your payment. In order to roll over the nontaxable portion of your Roth distribution to an eligible employer plan, the rollover must be a direct rollover of the entire Roth distribution to an eligible employer plan that will apply your rollover to an account that meets the Roth requirements. For 2006, the eligible employer plan must be the same type of plan as the distributing plan. Effective January 1, 2007, you can make a direct rollover of the nontaxable portion of your Roth distribution from a 401(k) plan to another 401(k) plan or from a 403(b)

plan to another 403(b) plan, or from a 401(k) plan to a 403(b) plan (*but not vice versa*). In a direct Roth rollover to an eligible employer plan, your period of participation in the Plan's Roth account will carry over to the recipient plan for purposes of the "five taxable year" requirement for a qualified Roth distribution.

If you want a direct rollover of your Roth account, you should ask the plan administrator if the plan will accept a Roth rollover because an eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a direct rollover to a traditional IRA or Roth IRA, as applicable. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

Direct Rollover of a Series of Payments. If you receive a payment that can be rolled over to a traditional IRA or Roth IRA, as applicable, or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Special rules apply to a rollover of the Roth portion of your payment. You can roll over all or a part of the taxable and nontaxable Roth portion of your payment to your Roth IRA within 60 days after you receive the payment, but you can roll over only the taxable portion of your Roth distribution to an eligible employer plan that accepts your Roth rollover. Your period of participation in the Plan's Roth account will not carry over in a rollover of the Roth portion of your payment to a Roth IRA or an eligible employer plan that accepts your Roth rollover. If your Roth distribution is not a "qualified distribution" and you do not roll over the entire amount, the portion that is rolled over will be deemed to consist first of the taxable portion of your Roth distribution.

V. INVOLUNTARY DISTRIBUTION AND AUTOMATIC ROLLOVER OF PAYMENTS LESS THAN \$5,000

(Generally effective for distributions on or after March 28, 2005) (However, governmental plans had until the close of the first regular legislative session of the legislative body with the authority to amend the plan that begins on or after January 1, 2006 to apply these rules).

If your vested benefit is less than \$5,000 and you do not elect a distribution within a reasonable period of time after receiving this notice, the Plan may provide for the involuntary distribution of your benefit, which may be in the form of an automatic rollover to a traditional IRA or Roth IRA, as applicable, selected by the Plan. Please contact the Plan Administrator for further information concerning the Plan's involuntary distribution and automatic rollover provisions. If the Plan provides for automatic rollovers, the Plan Administrator will give you information concerning the traditional IRA and Roth IRA that the Plan has selected for such rollovers and the administrative fees that will be deducted from such IRA.