

Loan Application Form

READ THE ATTACHED IRS SPECIAL TAX NOTICE AND WRITTEN EXPLANATION OF QUALIFIED JOINT AND 50% CONTINGENT SURVIVOR ANNUITY FORM OF BENEFIT BEFORE COMPLETING THIS FORM

Please Note: Do not use this form to request:

- (1) Death Benefit Claim
- (2) Hardship Withdrawal Claim
- (3) Minimum Distribution Requests

INSTRUCTIONS AND INFORMATION FOR COMPLETING THIS FORM

THIS FORM MUST BE COMPLETED AND SIGNED BY YOU AND THE PLAN ADMINISTRATOR. If any information is missing or incomplete, you may be required to complete a new form or provide additional information before the distribution can be processed.

PARTICIPANT INSTRUCTIONS:

1. Complete Sections B-F. If you are not married, skip Section E, Spousal Consent.
2. Your signature is required in Section F
3. Submit the Form to your Employer for signature and processing. **Do not mail this form directly to the Administrative Office listed at the bottom of this form.**
4. Actual Value of the loan distribution may vary based on the final market closing price at the time the loan is processed.

EMPLOYER INSTRUCTIONS:

1. Complete Section A
2. Your signature is required in Section F
3. Submit the Form to the Processing Center

LOAN GUIDELINES

Please note that your plan may limit or restrict the terms and availability of loans. Check with your Plan Administrator or Summary Plan Description for the plan's loan provisions. There may be conditions under which a loan may be requested, the number of times a loan can be initiated per year or the number of loans outstanding at any given time.

- A. **Cost** – There could be fees associated with the loan. Check with the Plan Administrator for details.
- B. **Amount of Loan** — The minimum and maximum amount which may be borrowed from the plan, as well as the term of the loan, are governed by the Internal Revenue Code (IRC), the Department of Labor, these loan provisions, and the plan documents. In general, the maximum amount that may be borrowed is an amount that, when added to the outstanding balance of all other outstanding loans from all plans of the Employer, does not exceed the lesser of 50% of the Participant's vested account balance, or \$50,000, reduced by the excess of the highest outstanding balance of loans during the 12 month period ending on the day before the date the loan is made over the outstanding balance of loans on the date the loan is made. Loans may be denied to individuals who have previously defaulted on a loan.

- C. **Interest Rate Determination** — The interest rate must be set by the plan fiduciary. Contact your Plan Administrator to find out the rate charged for the loans under the provisions of your plan.
- D. **Payment** —
1. Payment of the principal and interest of each loan shall be made through payroll deduction through your Employer. Other options may be available; contact the Plan Administrator for more information.
 2. Principal payments and interest payments shall be reinvested in a Participant's account in accordance with the Participant's investment election in effect at the time the payments are received.
- E. **Default** — A loan shall be in default if any of the following occurs:
- (a) The Participant or Beneficiary fails to make a payment by the due date. In the event payment is not received by the last day of the calendar quarter following the calendar quarter in which the loan payment is due, a deemed distribution will occur. This means that the outstanding loan amount (principal and interest) on the date of default is considered taxable income to the Participant. After a loan is deemed distributed, interest shall continue to accrue on the entire outstanding balance but shall not be considered taxable income to the Participant. Interest will continue to accrue on the entire outstanding balance and such outstanding balance shall be taken into account for purposes of determining the maximum amount of any subsequent loan. This additional accruing interest shall not be treated as an additional loan and shall not result in an additional deemed distribution. Such accruing interest shall, however, be included in the Participant's account balance for all other purposes of the Plan.
 - (b) The Participant's or Beneficiary's (if applicable) leave of absence extends beyond twelve (12) months and the Participant or Beneficiary fails to make the loan payment by the earlier of (i) the due date following the suspension period or (ii) the due date of the last installment. The Participant or Beneficiary (if also a Participant) shall be suspended from making Elective Contributions until the Plan Anniversary following the date which is at least 12 months after the date of default.
 - (c) If the plan does not allow for loan repayments after termination, your loan will be defaulted after you separate from service. If the balance is not paid in full, the outstanding balance will be treated as a distribution and you may be subject to additional taxes and penalties.
- F. **Repayment during leave of absence** - Loan repayments may be suspended by the Participant or a Beneficiary (who is also an Employee) during a period of unpaid authorized leave of absence of up to a maximum of twelve (12) months, but the term of the loan will not be extended due to the leave of absence. At the end of the 12-month suspension period, or, if earlier, the date repayment again commences, the amount of the installment shall be recalculated so that repayment is completed by the original loan term. If the term of the loan expires while the Participant or Beneficiary is on leave, repayment must nevertheless be completed by the end of the term.
- Notwithstanding the foregoing, loan repayments may be suspended by such Participant or Beneficiary during a period of qualified military leave.
- G. **Prepayment** — Prepayment in full (**partial payments are not allowed**) of the outstanding loan principal and the accrued interest may be made by the next loan payment due date. Arrangements for a full payment must be made by obtaining a prepayment figure no more than two weeks in advance of the payoff. Full payments must be made by cashier's check or money order. For a loan payoff balance contact the Plan Administrator.
- H. **Distributions** —
1. All checks will be sent to the Plan Administrator.
 2. Loan recipients understand that any outstanding loan amount will reduce the amount available for distribution.
 3. In the event of the Participant's death, all outstanding loan principal and accrued interest shall be treated as a distribution from the plan on the date of death. The loan cannot be transferred to or assumed by the Participant's beneficiary. If the loan was not repaid prior to the date of death, any cash distribution, including the qualified pre-retirement survivor annuity, will be made net of any outstanding loan obligation. In addition, the amount of the outstanding loan will be reported as a taxable distribution to the Participant or the Participant's estate, as applicable.
- I. **Source and Application of Funds** — The disbursement of monies for your account reduction loan may be made per your specifications or on a prorated basis from all available investment options. Only the Participant's vested account balance will be used to calculate the maximum loan amount if vesting applies.

SECTION A. Employer Information

Company/Employer Name

Plan Name

Contract Number

Division Number (if applicable)

Amount of Loan: \$ _____ Interest Rate: _____ % OR: Prime + _____ % (Prime + 1 will be used if no election is made.) <i>Actual Value of the distribution may vary based on the final market closing price at the time the loan is processed.</i>	PAYROLL DEDUCTION : Payroll Frequency: _____ Date of First Repayment: _____
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SECTION B. Participant Information — Please print

Social Security No.

Date of Birth (mmddyyyy)

Date of Hire (mmddyyyy)

E-mail Address

Last Name

First Name/Middle Initial

Street Address/Apt. No.

Phone No.

Ext. (if any)

City

State

Zip Code

Marital Status

Married Unmarried

SECTION C. Type of Loan

Please Note: If you are refinancing your existing loan, the term of the new loan cannot exceed 5 years from the date of the original loan. If your plan allows for multiple loans and refinancing, please check one of the following boxes:

Issue a new loan

Consolidate with existing loan

Maximum Loan: Generally the lesser of 50% of your vested account balance or \$50,000.00

Minimum Loan: Generally \$1,000.00

A. LOAN PURPOSE:

General

Hardship

Term of Payment in Months: (# of months – cannot exceed 60 months)

B. PRINCIPAL RESIDENTIAL LOAN Available ONLY to purchase or build a principal residence (not available to renovate or refinance a principal residence).

Payment: You can elect to pay back the loan by checking any term listed from the options below.

Term of Payment of Years: 6 Years 7 Years 8 Years 9 Years 10 Years

11 Years 12 Years 13 Years 14 Years 15 Years

Other (for term greater than 15 years please obtain approval from your Plan Administrator)

SECTION D. Fund Withdrawal Election

Notice of fund withdrawal election:

You may specify the fund(s) you wish to have your loan proceeds withdrawn from, or check the box below to have the withdrawal prorated against all investment options. Make your election in dollars or percentages (increments of 1%), your total must equal 100% or the dollar amount of your distribution. For assistance in selecting your fund choices(s), refer to your last Participant statement. Please be sure to print the complete name of the fund(s); an incorrect fund name could delay your request.

Please prorate the withdrawal against all investment options.

PLEASE SPECIFY THE FUND(S)

PLEASE SPECIFY AMOUNT

Check one: % \$

1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____

SECTION E. Spousal Consent

Check with your Employer/Plan Administrator or your Summary Plan Description to determine whether this plan is subject to spousal consent requirements. If spousal consent is required, complete this section. Otherwise skip to Section F.

You must have your spouse's signature notarized or have the Plan representative witness your spouse's signature if your vested account balance is greater than \$5,000. However, if the vested account balance is less than \$5,000 spousal consent is not required.

Spousal Consent

I, the undersigned spouse of the participant, understand that federal law requires that I consent in writing to any distribution from the Plan unless that distribution is in the form of a joint and survivor annuity. I have read the IRS Special Tax Notice provided to me and hereby waive my rights to have the amount of the loan distribution payable in an annuity. I understand the effects of this waiver and consent to the loan elected by my spouse.

Signature of Participant's Spouse: _____ Date: _____

Statement of Plan Representative or Notary Public

The spouse whose signature I have witnessed is known to me and signed this form in my presence.

Plan Representative or Notary Public Signature: _____ Date: _____

PLACE SEAL HERE (if applicable)

SECTION F. Required Signatures

My signature acknowledges that I have read the entire Loan Application form and I understand its contents, agree to its provisions, and affirm that all information that I have provided is true and correct.



Signature of Participant

Date

MUST BE COMPLETED BY THE PEO PLAN ADMINISTRATOR ONLY

By signing below, I hereby authorize Transamerica to process the distribution described in this form. This request is in compliance with Plan provisions.

If spousal consent is not provided, then in accordance with the terms and provisions of the plan and under the current law, spousal consent is not required for payment of the requested benefit.



By: Signature of Plan Administrator, Trustee or Authorized Signor

Date



Print Name of Plan Administrator, Trustee or Authorized Signor

Date

Once this form has been completed with all of the necessary information and required signatures, please forward to the Processing Center for processing. This form cannot be processed without the Plan Administrator or Authorized Representative's signature.

Be sure to keep a photocopy for your records.

MAIL TO: Processing Center: 100-G Executive Drive, Edgewood, NY 11717-8331 **Fax #:** 888-401-8726

SPECIAL TAX NOTICE
REGARDING PAYMENTS FROM QUALIFIED PLANS
YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your Employer's plan (the "Plan") is eligible to be rolled over to an IRA, a Roth IRA, an employer plan, or a designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to two types of payments that you may be eligible to receive from the Plan: payments that are from a designated Roth account and payments that are not from a designated Roth account. A designated Roth account is a type of account with special tax rules that is available in some employer plans. If you are eligible to receive payments from the Plan that are from a designated Roth account and payments that are not from such an account, 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. In addition, additional rules that apply to most payments from a designated Roth account are described in the "General Information About Rollovers From A Designated Roth Account" 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 59 1/2 and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59 1/2 (or if an exception applies).

Where may I roll over the payment?

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

How do I do a rollover?

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59 1/2 (unless an exception applies).

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 1/2 (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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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

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

If you are under age 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 is in addition to the regular income tax on the payment not rolled over.

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

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

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

If you receive a payment from an IRA when you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

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

GENERAL INFORMATION ABOUT ROLLOVERS FROM A DESIGNATED ROTH ACCOUNT

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 59 1/2, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

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

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59 1/2 (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Where may I roll over the payment?

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

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59 1/2 (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, each of the payments will include an allocable portion of the earnings in your designated Roth account.

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 (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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if S corporation stock is held by an IRA).

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

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

If a payment is not a qualified distribution and you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

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

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

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

If you receive a payment from a Roth IRA when you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

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

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 generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

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 a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

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

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. 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, Individual Retirement Arrangements (IRAs).

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

If you do not do a rollover, or if you receive a distribution from a designated Roth account 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 59 1/2, 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 for a payment that includes employer stock, or if you receive a distribution from a designated Roth account and 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 IRA, Roth IRA, or employer plan, as applicable. 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 from a designated Roth account that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and, if the distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to an IRA, Roth IRA, employer plan, or designated Roth account in an employer plan, as applicable.

If you were born on or before January 1, 1936

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

If 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 59 1/2 (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 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If are an eligible retired public safety officer (and, for those who receive distributions from a designated Roth account, you receive a nonqualified distribution), 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 roll over your payment to a Roth IRA (applicable to payments that do NOT come from designated Roth accounts only)

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

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 59 1/2 (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

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

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 were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936. Also, if you receive a distribution from a designated Roth account, 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.

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 (or a Roth IRA, if the distribution is from a designated Roth account), 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 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 you receive a distribution from a designated Roth account, 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 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you receive a distribution from a designated Roth account, and 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 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 (or an inherited Roth IRA if the distribution is from a designated Roth account). Payments from the inherited IRA or 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 IRA.

Payments under a qualified domestic relations order. If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment as described in this notice). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

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

Other special rules

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

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

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. Further, unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than \$1,000 will be directly rolled over to a Roth IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.