



AMERICAN  
FUNDS®

From Capital Group

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# Request for a Cash Distribution or Rollover

## Request for a Cash Distribution or Rollover

**Notes:** • **Deliver the completed form to your former employer for authorization.**

- If you have an outstanding loan balance that you wish to repay, please call your former employer to learn how to pay it off prior to submitting any forms. If you don't pay off your loan balance, the outstanding balance of the loan will be treated as a distribution, subject to taxes and possible penalties.
- If rolling into your new employer's retirement plan, make sure that the new plan will accept rollovers prior to completing this form.

## 402(f) Notice of Special Tax Rules on Distributions

This notice provides important tax information.

## Fund Information Addendum

This additional document provides fund names, numbers, minimums and share class restrictions.

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For current information and month-end investment results, please visit [americanfunds.com](http://americanfunds.com) (IRAs), [americanfunds.com/retire](http://americanfunds.com/retire), the Web address on your statement (retirement plans), or ask your plan's financial professional or your former employer.

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**Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.**

**An investment in the money market fund is not insured or guaranteed by the FDIC or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.**

**Investors should carefully consider investment objectives, risks, charges and expenses. This and other important information is contained in the fund prospectuses and summary prospectuses, which can be obtained from a financial professional and should be read carefully before investing.**

For the plan name and ID, refer to your most recent statement, contact your former employer's benefits representative or call the American Funds IRA Rollover Center at (800) 421-9923.

Plan name \_\_\_\_\_

Plan ID number \_\_\_\_\_

## 1 Information about you

Please type or print clearly.

-   -      
SSN (provide the last four digits)

First name (print) \_\_\_\_\_

MI \_\_\_\_\_

Last \_\_\_\_\_

Address of participant \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP \_\_\_\_\_

**Citizenship:**  U.S. citizen  U.S. resident alien  Nonresident alien (Submit an IRS Form W-8BEN.)

## 2 Distribution instructions

Please read the attached 402(f) Notice of Special Tax Rules on Distributions before completing this section. The IRS requires that 20% of any eligible rollover cash distribution be withheld for federal income tax. If you are taking a distribution prior to age 59½, you may also be subject to a 10% penalty tax.

**Note regarding outstanding loans:** Any outstanding loan(s) will be offset and a 1099-R form will be generated.

**A. Effective date of your separation from service (including retirement)** \_\_\_\_\_  
(mm/dd/yyyy)

**B. Instructions** (Select one of the three options listed below.)

1.  **Cash distribution** (Select one of the two options immediately below, then proceed to Section 6.)

Entire account balance  Partial\* gross (pre-withholding amount) distribution of \$ \_\_\_\_\_

2.  **Rollover to an existing IRA or another retirement plan** (Select one of the two options below then proceed to Section 3.)

Entire account balance  Partial\* rollover of \$ \_\_\_\_\_

3.  **Combination of cash distribution and rollover** (Select one of the two options below then proceed to Section 3.)

Gross (pre-withholding amount) distribution of \$ \_\_\_\_\_ Remainder will be rolled over.

Roll over \$ \_\_\_\_\_ Remainder balance will be paid in a cash distribution.

\*If your account contains both pre-tax and after-tax monies and you are electing a partial cash distribution, monies will be taken pro rata from all contribution types (unless plan rules dictate otherwise). When Roth monies are rolled over or distributed, both contributions and earnings will be included.

## 3 Rollover instructions — Direct rollover to an EXISTING American Funds IRA

**A. Select receiving account type:**

Traditional IRA     Roth IRA    Existing account number \_\_\_\_\_

**B. Share class selection**

**NOTES:**

- If you are invested in the American Funds at the time of the rollover, the American Funds investments will automatically be converted to Class A shares at Net Asset Value (NAV) (no sales charge) regardless of the share class selected on the form. Class A shares at offering price and Class C shares are only available for your non-American Funds investments.
- If no share class is selected below, Class A at the appropriate sales charge becomes the default share class.

**Class A shares at NAV or at offering price** — Class A shares at offering price have an initial sales charge of up to 5.75% that declines as the amount invested increases, as described in fund prospectuses. Any future contributions into the account will be assessed the appropriate sales charges based on the applicable breakpoints.

**Class C shares** — Class C shares do not have an initial sales charge, but have expenses that are higher than Class A shares and a 1% contingent deferred sales charge on shares sold within one year. Class C shares are available for purchases of \$500,000 or less per individual transaction. Investors whose combined American Funds assets are \$1 million or more may not purchase Class C shares.

**C. Investment instructions**

For fund names, numbers and minimums, see the Fund Information Addendum. If a fund is not selected, this investment will be placed in the American Funds Money Market Fund by default.

Roll over my retirement account to the same American Funds and percentages as my current retirement plan account is invested.

**Note:** This option is NOT available if you currently hold any non-American Funds investments.

**OR**

Roll over my retirement account to the following funds:

Fund name or number	Amount		Percentage
_____	\$ _____	<b>OR</b>	_____%
_____	\$ _____	<b>OR</b>	_____%
_____	\$ _____	<b>OR</b>	_____%
_____	\$ _____	<b>OR</b>	_____%
<b>Total rollover</b>		<b>OR</b>	_____%

A one-time \$10 setup fee will be deducted from your account. There is also an annual custodian fee of \$10.

## 4 Rollover instructions — Direct rollover to a NON-AMERICAN FUNDS IRA or retirement plan

**NOTE:** You must have an existing IRA with your new trustee for your rollover assets to be deposited. If you are rolling over to your new employer's retirement plan, make sure it will accept the rollover before submitting the request.

Select receiving account type:

- Traditional IRA     Roth IRA     Retirement plan

## 5 Participants over 70½ — Required Minimum Distributions (RMDs)

*If you are 70½ or over this year and are requesting a rollover, select one of the two options below.*

**NOTE:** RMDs cannot be converted to a Roth account.

- I have already taken my RMD for the year.  
 Calculate and remove my RMD.

### RMD income tax withholding

Federal law requires us to withhold income tax equal to 10% of your gross RMD amount **unless** you elect otherwise using the check boxes below. If we withhold federal income tax, state tax withholding may also be applicable depending on your state of residence. Contact your tax accountant for rules for your state of residence. Insufficient withholding or underpayment of estimated taxes may result in IRS penalties. If you are a nonresident alien, please provide an IRS Form W-8BEN with an original signature as documentation of your foreign tax status.

- DO NOT** withhold federal or state income taxes on my distribution.  
 Withhold federal and state income taxes as indicated below:

Federal income tax withholding \_\_\_\_\_% **OR** \$ \_\_\_\_\_

State income tax withholding\* \_\_\_\_\_% **OR** \$ \_\_\_\_\_

**\*Note:** Capital Bank and Trust Company<sup>SM</sup> (CB&T) does not withhold state taxes for all states. To review the impacts of state withholding for your state of residence, visit [americanfunds.com/retire](http://americanfunds.com/retire), or speak with your tax consultant. For residents of MI, to opt out of state taxes or request a reduced withholding rate, a Form MI W-4P must be completed and provided to the plan administrator.

## 6 Delivery instructions — For cash distribution or rollover to a non-American Funds IRA or retirement plan

**A. Mail payment directly to** (checks are sent to the address of record unless a different address is provided below):

- Participant     Plan sponsor     Third-party administrator     Other financial institution (provide information below)

\_\_\_\_\_  
Name of receiving financial institution/trustee

\_\_\_\_\_  
Account number or, if applicable, plan ID number

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP

**B. Expedite delivery by using the delivery service and account listed** (optional):

\_\_\_\_\_  
Delivery service

\_\_\_\_\_  
Name on account

\_\_\_\_\_  
Account number

## 7 Tax withholding elections

### A. Federal income tax withholding for eligible rollover distributions

**Note:** Any distribution that is an eligible rollover distribution and is paid to you rather than directly rolled over to an IRA or into an employer's plan is subject to 20% withholding. If under 59½, you may be subject to an additional 10% penalty tax.

- This is a rollover request, for which withholding does not apply.
- This distribution includes pre-tax assets being paid out as cash and is therefore subject to the mandatory 20% withholding. To request a different withholding amount, select one of the two options immediately below:  
 Withhold federal income taxes at the **total** rate of \_\_\_\_\_% **OR**  Dollar amount of \$ \_\_\_\_\_
- This distribution represents a rollover of pre-tax assets to a Roth IRA. No withholding will be taken unless an election is indicated in one of the two options immediately below.  
 Withhold federal income taxes at the **total** rate of \_\_\_\_\_% **OR**  Dollar amount of \$ \_\_\_\_\_
- This distribution represents a total annual aggregate distribution of less than \$200 and is therefore subject to federal income tax of 20% unless otherwise elected here.  **DO NOT** withhold federal income tax.

### B. State income tax withholding

You may specify a percentage or dollar amount to be withheld for state income tax by completing the section below. Some states require a minimum percentage or flat dollar amount. We will withhold at least the state-required minimum amount when such a minimum applies. You may instruct us not to withhold state income tax only when your state of residence allows such an election.

Withhold \_\_\_\_\_% of the distribution amount  Withhold \$ \_\_\_\_\_  **DO NOT** withhold state income tax

**Note:** CB&T does not withhold state taxes for all states. To review the impacts of state withholding for your state of residence, visit [americanfunds.com/retire](http://americanfunds.com/retire), or speak with your tax consultant. For residents of MI, to opt out of state taxes or request a reduced withholding rate, a Form MI W-4P must be completed and provided to the plan administrator.

## 8 Your consent and signature

I hereby acknowledge that the employer has informed me of the options available under the plan, that I have received and read the *402(f) Notice of Special Tax Rules on Distributions* and that I understand I have 30 days to decide whether to elect a direct rollover or have my benefits paid to me. I waive the 30-day waiting period by making this irrevocable election indicated in Section 2, and I understand that by making such election, if my retirement plan includes a Qualified Joint and Survivor Annuity option (QJSA), I irrevocably waive such QJSA. I understand that, if I am married, my spouse must consent to the waiver, and I further understand that my benefits may not be distributed to me for at least seven (7) days after I sign this request.

**X**  
\_\_\_\_\_  
Signature of participant

\_\_\_\_\_  
Date (mm/dd/yyyy)

### What happens next?

- You will need to provide the completed and signed form to your former employer for authorization.
- Contact your former employer for any spousal consent form that may be needed for the QJSA waiver (see Section 8 above).
- Your former employer will authorize the distribution of assets and work with the third-party administrator to verify the vesting.
- Once the request is authorized and all appropriate signatures collected, the form will be sent by your former employer or the plan's third-party administrator to American Funds for processing.

**Do not** mail or fax this form directly to American Funds unless all authorizations and signatures have been collected because this may delay the processing of your request.

**If you have questions or require more information, please contact your financial professional or call the American Funds IRA Rollover Center at (800) 421-9923 to speak with a Rollover Specialist.**

\_\_\_\_\_  
First name (print) MI Last Plan ID number

Section 9 is to be completed by the third-party administrator.

### 9 Vested percentage verification

Please confirm the following information for our records.

**Note:** All forfeited amounts will automatically be transferred to the plan's forfeiture account.

Select one of the two options below:

Participant is 100% vested in all contribution types.

**OR**

Variable vesting (see below):

Match \_\_\_\_\_% Profit-sharing \_\_\_\_\_% Other \_\_\_\_\_%  
Specify contribution type.

The vested percentage reflected above is correct.

\_\_\_\_\_  
Name (print) Name of firm ( ) Daytime phone Ext.

**X** \_\_\_\_\_  
Signature of third-party administrator Date (mm/dd/yyyy)

Section 10 is to be completed by your former employer.

### 10 Employer authorization

I/We, as plan trustee(s) or authorized signers of the plan, certify that: (1) this distribution is in accordance with the terms of the plan; (2) the plan administrator has provided the participant with a 402(f) Notice of Special Tax Rules on Distributions and has complied with any Internal Revenue Service and Department of Labor or other notice requirements that are applicable to this distribution; (3) the appropriate participant's consent and waivers, including spousal consent if applicable, have been obtained; (4) the vested percentage in Section 9 is provided; and (5) the recordkeeper is directed to rely on my/our authorization.

Check this box if the request is to be honored because the participant's signature has been obtained on a separate form or the participant's signature is not required per plan rules.

\_\_\_\_\_  
Name of plan trustee or authorized signer (print) **X** Signature of trustee or authorized signer Date (mm/dd/yyyy)

\_\_\_\_\_  
Name of plan trustee or authorized signer (print) **X** Signature of trustee or authorized signer Date (mm/dd/yyyy)

**Send**

#### Former employer or third-party administrator:

You may fax this form to (855) 521-9952 or mail it to the address below.

**American Funds RecordkeeperDirect**  
c/o Retirement Plan Services

**Regular mail**  
P.O. Box 6040  
Indianapolis, IN 46206-6040

**Overnight mail**  
12711 N. Meridian St.  
Carmel, IN 46032-9181

### Your rollover options

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

This section of the notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, read the section of the notice entitled "For Payments from a Designated Roth Account." The Plan administrator will tell you the amount that is being paid from each account.

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

### General information for payments NOT from a designated Roth account

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#### Q. How can a rollover affect my taxes?

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

#### Q. Where may I roll over the payment?

A. 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.

#### Q. How do I do a rollover?

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

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

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

#### Q. How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations

- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of 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 can tell you what portion of a payment is eligible for rollover.

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

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

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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.

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

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

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).

- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

### Q. Will I owe State income taxes?

- A. This notice does not describe any State or local income tax rules (including withholding rules).

### General information for payments from a designated Roth account

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#### Q. How can a rollover affect my taxes?

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

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

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

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

#### Q. Where may I roll over the payment?

- A. 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.

#### Q. How do I do a rollover?

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

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

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

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, 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.

#### Q. How much may I roll over?

- A. See "How much may I roll over?" on the first page of this notice. The Plan administrator can tell you what portion of a payment is eligible for rollover.

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

- A. If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies.

See "If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?" on the first page of this notice for the exceptions to the 10% additional income tax on early distributions.

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

- A. If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:
- There is no special exception for payments after separation from service.
  - The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
  - The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
  - There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).



**Q. Will I owe State income taxes?**

A. 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 (applies to payments not 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 (applies to all payments)**

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 (applies to all payments)**

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

If you receive a payment that is a qualified distribution from a designated Roth account 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.

The Plan administrator can tell you the amount of any net unrealized appreciation.

**If you have an outstanding loan that is being offset (applies to all payments)**

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

If the loan offset amount is applied to your designated Roth account, and, the resulting distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan.

**If you were born on or before January 1, 1936 (applies to all payments)**

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

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

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

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

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

The same rules apply if you receive a nonqualified distribution from a designated Roth account. If you are a public safety officer, 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.

**If you roll over your payment to a Roth IRA (applies to payments not from a designated Roth account)**

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

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 (applies to all payments)**

• **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. If the distribution includes payment from a designated Roth account, then 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.

The 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

– **If you are a surviving spouse.**

If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

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

If the distribution includes payment from a designated Roth account, and you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

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

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

Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½.

– **If you are a surviving beneficiary other than a spouse.**

If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

If the distribution includes payment from a designated Roth account, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

• **Payments under a qualified domestic relations order.**

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

**If you are a nonresident alien (applies to all payments)**

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 (applies to all payments)**

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

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

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

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

**For more information**

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

Contact your financial advisor to obtain a current prospectus for each fund you select. To learn more about the funds, please visit our website at [americanfunds.com](http://americanfunds.com).

You may purchase, sell (redeem) or exchange shares 24 hours a day by calling American FundsLine® at (800) 325-3590 or by visiting our website. Requests received after 4 p.m. Eastern time will be transacted at the next business day's closing price. Your bank account will be debited or credited within approximately three (3) business days of the transaction date.

**NOTE: For automatic purchase plans, the fund minimums must be met within the first five months of account establishment.**

**The fund minimums are \$1,000 each for money market and state-specific tax-exempt bond funds, \$250 each for all other funds or \$25 each for payroll deduction plans.**

Fund names	Fund numbers		Fund names	Fund numbers	
	Class A	Class C <sup>1</sup>		Class A	Class C <sup>1</sup>
<b>Retirement target date funds</b>			<b>Growth-and-income funds</b>		
<b>Note:</b> The American Funds target date retirement funds are only available for tax-deferred retirement accounts.			American Mutual Fund® 03 303		
<i>American Funds Target Date Retirement Series®</i>			Capital World Growth and Income Fund® 33 333		
American Funds 2010 Target Date	61	N/A	Fundamental Investors <sup>SM</sup> 10 310		
American Funds 2015 Target Date	62	N/A	International Growth and Income Fund <sup>SM</sup> 34 334		
American Funds 2020 Target Date	63	N/A	The Investment Company of America® 04 304		
American Funds 2025 Target Date	64	N/A	Washington Mutual Investors Fund <sup>SM</sup> 01 301		
American Funds 2030 Target Date	65	N/A	<b>Equity-income funds</b>		
American Funds 2035 Target Date	66	N/A	Capital Income Builder® 12 312		
American Funds 2040 Target Date	67	N/A	The Income Fund of America® 06 306		
American Funds 2045 Target Date	68	N/A	<b>Balanced funds</b>		
American Funds 2050 Target Date	69	N/A	American Balanced Fund® 11 311		
American Funds 2055 Target Date	82	N/A	American Funds Global Balanced Fund <sup>SM</sup> 37 337		
<b>Portfolio funds</b>			<b>Bond funds</b>		
<b>Note:</b> Tax-exempt and tax-advantaged funds should generally not serve as investments for tax-deferred retirement plans and accounts.			American Funds Mortgage Fund® 42 342		
<i>American Funds Portfolio Series<sup>SM</sup></i>			American High-Income Trust® 21 321		
American Funds Global Growth Portfolio <sup>SM</sup>	55	355	The Bond Fund of America® 08 308		
American Funds Growth Portfolio <sup>SM</sup>	53	353	Capital World Bond Fund® 31 331		
American Funds Growth and Income Portfolio <sup>SM</sup>	51	351	Intermediate Bond Fund of America® 23 323 <sup>2</sup>		
American Funds Balanced Portfolio <sup>SM</sup>	50	350	Short-Term Bond Fund of America® 48 348 <sup>2</sup>		
American Funds Income Portfolio <sup>SM</sup>	47	347	U.S. Government Securities Fund® 22 322		
American Funds Tax-Advantaged Income Portfolio <sup>SM</sup>	46	346	<b>Tax-exempt bond funds</b>		
American Funds Preservation Portfolio <sup>SM</sup>	45	345	<b>Note:</b> Tax-exempt funds should generally not serve as investments for tax-deferred retirement plans and accounts.		
American Funds Tax-Exempt Preservation Portfolio <sup>SM</sup>	44	344	American Funds Short-Term Tax-Exempt Bond Fund® 39 N/A		
<b>Growth funds</b>			American Funds Tax-Exempt Fund of New York® 41 341		
AMCAP Fund®	02	302	American High-Income Municipal Bond Fund® 40 340		
EuroPacific Growth Fund®	16	316	Limited Term Tax-Exempt Bond Fund of America® 43 343 <sup>2</sup>		
The Growth Fund of America®	05	305	The Tax-Exempt Bond Fund of America® 19 319		
The New Economy Fund®	14	314	The Tax-Exempt Fund of California® 20 320		
New Perspective Fund®	07	307	The Tax-Exempt Fund of Maryland®* 24 324		
New World Fund®	36	336	The Tax-Exempt Fund of Virginia®* 25 325		
SMALLCAP World Fund®	35	335	<b>Money market fund</b>		
			American Funds Money Market Fund® 59 <sup>3</sup> 359 <sup>2</sup>		

\*Available only in certain states

<sup>1</sup> For 457(b) plans and certain 403(b) plans, Class C shares are not available. See the prospectus for details.

<sup>2</sup> The noted Class C share funds are available only for exchanges from other Class C share funds. See the prospectus for details.

<sup>3</sup> For the money market fund, Class A shares may be exchanged into any other fund's Class C shares, except for the Intermediate Bond Fund of America, the Short-Term Bond Fund of America and the Limited Term Tax-Exempt Bond Fund of America. See the prospectus for details.