



Now that you have terminated employment with Alta Ski Area, what options do you have for your 401(k) account?

- 1. Rollover:** You may transfer funds from the Alta Ski Lifts Company Retirement Plan into another type of retirement account such as an IRA or an Employer Qualified Plan. There are no penalties or taxes for requesting a rollover distribution.
- 2. Cash Distribution:** You may request to take your account as cash; you can receive a check or have it directly deposited into a bank account. The following penalties and taxes will apply to cash distributions:
 - Standard Federal Tax will be withheld from the distribution
 - Standard State Tax will be withheld from the distribution
 - If a distribution is made before you reach age 59½, you will be assessed an additional 10% tax on the distribution (early withdrawal penalty)
- 3. Leave your money in the Alta Ski Lifts Company Retirement Plan:**
 - You are not required to withdraw your money from the 401(k) Plan. You are still allowed to take a distribution from your account if you would choose to.

To take a distribution from your 401(k) account you will need to complete the distribution request form that you should have received with this notice. If you have any questions, please feel free to contact Retirement Plan Consultants, our contact information is listed on the bottom of this notice.

McMill Building 125 South 4th St. P.O. Box 1264 Norfolk, NE 68702

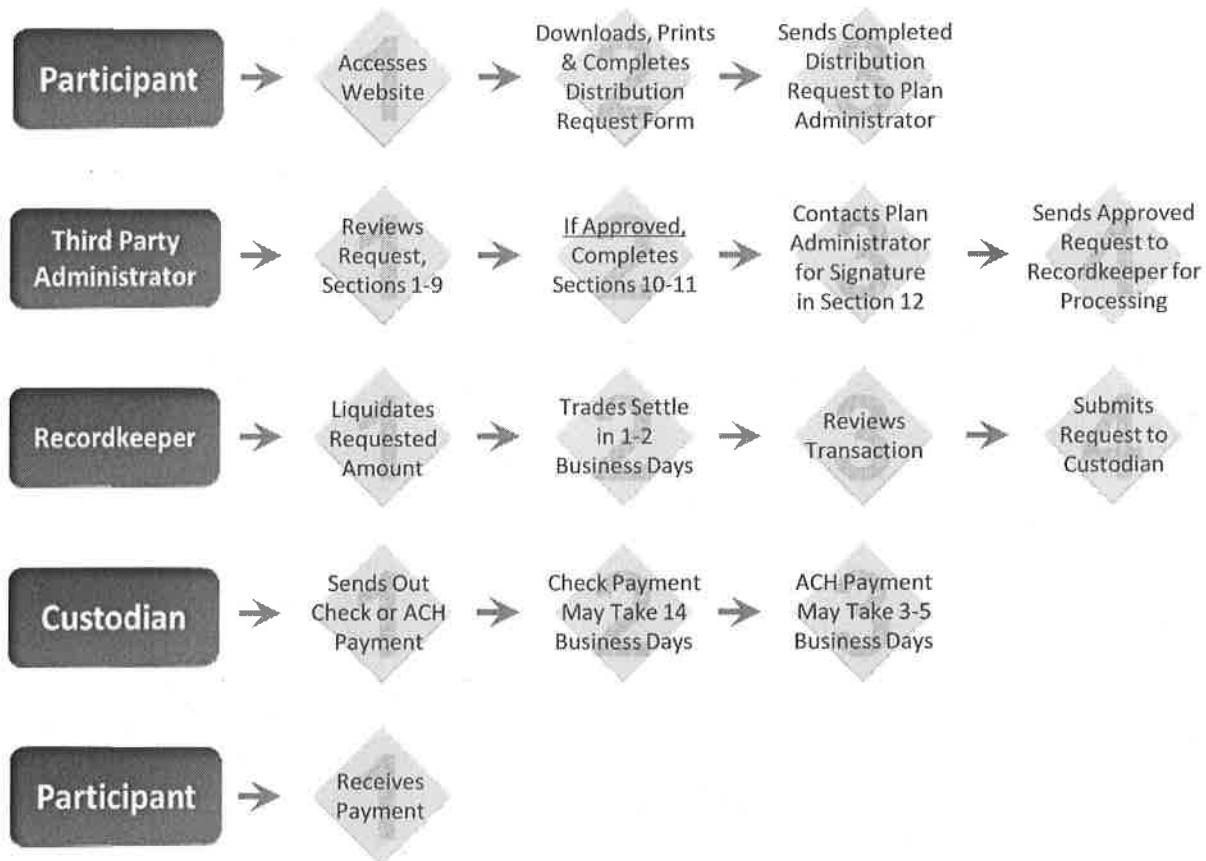
402-379-0108 877-800-1114 Fax: 402-379-3818 www.retirementplanconsultants.net

Distribution Request Form

DISTRIBUTION REQUEST TIMELINE

This form is to request a participant withdrawal from your retirement account with your employer. Whether you are rolling over the funds or taking a cash payment, you will need to review the Special Tax Notice included at the end of this form. The Special Tax Notice will provide guidance on your rollover options for the requested withdrawal.

Distribution Request Timeline



Fax this form to 402.379.3818 or mail to RPC LLC, PO Box 1264, Norfolk, NE 68702 or upload securely here: <https://spaces.hightail.com/uplink/rpc>.
Questions? Call Client Services at 877.800.1114, M – F, 8am – 5pm CST.

Distribution Request Form

1. EMPLOYEE/PARTICIPANT INFORMATION

Employer / Plan Name _____

First Name _____

MI _____

Last Name _____

-
Social Security Number

☐ Single
Marital Status

☐ Married

-
Birth Date (month | day | year)

Address _____

City, State, Zip _____

Email _____

Home Phone _____

Work Phone _____

-
Hire Date (month | day | year)

-
Termination Date (if applicable)

-
Retirement Date (if applicable)

In the event of a death distribution, the beneficiary will complete the form with his/her information.

In the event of a QDRO distribution, the alternative payee will complete the form with his/her information.

NOTE: If the address on this form is different than the address on record, we will require a copy of a valid driver's license for verification.

2. DISTRIBUTION INFORMATION

I request to receive a distribution of benefits from the account(s) indicated below that I hold under the employer's plan because of the following event:

- ☐ **Required Minimum Distribution** – Employee has reached the age of 70 ½ and is taking a required minimum distribution.
- ☐ **Termination of Employment** – Employee is no longer employed with the employer who sponsors the plan.
- ☐ **In-service Withdrawal** – Check with your employer before selecting this option. Most plans do not allow in-service withdrawals.
- ☐ **Plan Termination** – The employer who sponsors the plan has terminated the plan.
- ☐ **Disability** – Employee has become disabled.
- ☐ **Death** – Employee is deceased. Please attach the Death Certificate to this form.
- ☐ **QDRO** – Employee has been ordered by a court to transfer/distribute assets to a current or former spouse or child pursuant to a qualified domestic relations order. Please attach the QDRO to this form.
- ☐ **Hardship Withdrawal** – Check the reason(s) below. Please attach Proof of Hardship to this form.
 - ☐ Medical expenses incurred by me, my spouse, or any of my dependents (or any expense necessary to obtain medical care).
 - ☐ Purchase (excluding mortgage payments) of my principal residence.
 - ☐ Payment of tuition, related educational fees, and room and board expenses for the next 12 months of post-secondary education for me, my spouse, my children, or my dependents.
 - ☐ The need to prevent eviction from, or mortgage foreclosure on, my personal residence.
 - ☐ Payments for burial or funeral expenses for my deceased parent, spouse, children, or dependents.
 - ☐ Certain expenses relating to the repair of damage to my principal residence that would qualify for the casualty deduction under Section 165 of the Internal Revenue Code, such as those resulting from hurricane or flood damage.

If taking a **hardship** distribution:

- ☐ I must stop making salary deferrals to the Plan for six (6) months. I understand that this is an IRS regulation and I should confirm that the contributions have stopped. This type of distribution will be reported as code 1 (early distribution) on Form 1099-R. The employee is responsible for filing Form 5329 with the IRS to report such distribution(s) in order to avoid the 10% penalty.

3. AMOUNT OF DISTRIBUTION(S)

Select one of the following options. If no option is selected a TOTAL withdrawal will be processed. The amount will be withdrawn as a gross withdrawal before income tax withholding.

- ☐ Withdraw 100% of my vested account value
- ☐ Partial Distribution – specify dollar amount \$ _____ (if more than 90% of acct bal., entire acct bal. will be distributed)
- ☐ Combination Payout (Please complete specifics for the Rollover and Cash Payment below)

\$ or % _____	<input type="checkbox"/> As a Rollover OR	<input type="checkbox"/> As a Cash Payment
The Remaining Balance	<input type="checkbox"/> As a Rollover OR	<input type="checkbox"/> As a Cash Payment

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Distribution Request Form

4. FORM OF PAYMENT

NOTE: We encourage you to consult with your personal tax advisor prior to completing this section. If no account number is provided, we will mail check to new provider FBO Participant Name. Check reissue fees will apply.

I hereby elect to have my vested account balance paid in the following manner. Wire instructions are not an acceptable form of payment.

A. ☐ Rollover Information

NOTE: Some payments are not eligible for rollover such as required minimum distributions.

Make Check Payable To _____ Attention _____
Address _____
City _____ State _____ Zip _____
Account Number _____

B. ☐ Roth Rollover Information

NOTE: Some payments are not eligible for rollover such as required minimum distributions.

Make Check Payable To _____ Attention _____
Address _____
City _____ State _____ Zip _____
Roth Account Number _____

C. ☐ Cash Payment Information

NOTE: If no election is made under Cash Payment option selection, a check will be defaulted as form of payment.

- ☐ Send Check – Check will be sent to the address in Section 1
☐ Please overnight the check payment (There will be an additional \$50 fee associated. Please note, our standard processing time does apply, as indicated on the timeline.)
☐ Deposit Directly into my account (information provided below)

Bank Name _____ Bank Routing / ABA#
☐ Checking ☐ Savings

Name on Account _____ Account Number _____

D. ☐ QJSA (Qualified Joint and Survivor Annuity), if applicable

Check with your plan before selecting this option as most plans do not offer QJSA.

5. WAIVER OF WAITING PERIOD

You have the right to at least a 30 day (but no more than 90 day) period from the day you receive the Special Tax Notice (the last 6 pages of this form) to consider the election of your withdrawal. However, you may elect to waive the 30-day waiting period if you wish to have your benefit paid earlier. In order to waive the waiting period, check the box below. If the waiver period is not waived, the distribution will be processed 30 days from the date you sign this form.

- ☐ I wish to waive the 30-day waiting period. (Distribution will be processed immediately after approval)

Distribution Request Form

6. INCOME TAX WITHHOLDING

A: Federal Withholding

- ☐ Standard Tax Withholding – 20%
- ☐ I elect withholding of _____ (cannot be less than 20% except for Hardships and RMDs)
- ☐ I do not want federal income tax withheld (applicable only for Hardships and RMDs.)
- ☐ Tax Withholding does not apply (Applicable for eligible Rollover Distribution)

DEFAULT: If 20% mandatory withholding applies, we will automatically withhold this amount. If 20% mandatory withholding does not apply, 10% withholding will apply unless otherwise indicated above.

B: State Withholding

- ☐ Standard Tax Withholding (varies by state)
- ☐ I elect withholding of _____ (cannot be less than mandatory state withholding)
- ☐ I do not want state income tax withheld (applicable only for Hardships, RMDs and qualifying states)
- ☐ Tax Withholding does not apply (Applicable for eligible Rollover Distribution)

DEFAULT: If no election is made, OR a lower required state withholding is elected, the mandatory state income tax withholding will occur, if applicable.

NOTE: If you elect to receive all or a portion of your account in cash, taxes will automatically be withheld and forwarded to the IRS and/or your state taxing authority, unless an exception applies. If your distribution is not an eligible rollover distribution, then the above withholding election will apply.

No withholding is required if the distribution is less than \$200.

7. FEES

Refer to the 404(a)(5) fee disclosure for distribution fees. If your employer makes a required or elective employer contribution to you after this distribution, the amount will be subject to an additional distribution fee and all applicable taxes/penalties; another Distribution Request Form will need to be submitted to receive these monies. If a check payment is requested and a stop-payment and re-issue is requested an additional \$50 fee will be assessed prior to re-issue.

8. SIGNATURES AND AUTHORIZATIONS

Retirement Account Participant

I certify under penalties of perjury that the Social Security number provided on this form is correct and I am a US person (including a US resident alien). I request the above distribution and certify that I am (or the indicated alternate payee is) the proper party to receive payment(s) from this Annuity Contract / Custodial Account and that the information provided is true and accurate. I have read the special tax notice and I understand the tax consequences of taking this distribution. If I am requesting that a portion of my distribution be rolled over, I hereby certify that the IRA or Plan identified above is an "eligible retirement plan" authorized to accept the direct rollover I have specified and that it will accept a direct rollover of my Plan distribution. If I am taking this distribution as a hardship distribution, I certify that I meet the requirements for a hardship distribution.

Employee/Participant Name (Please Print)

►

Employee/Participant Signature

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Date (month | day | year)

Distribution Request Form

9. WAIVER OF QUALIFIED JOINT AND SURVIVOR ANNUITY (if applicable)

Participant Election to Waive Qualified Joint and Survivor Annuity:

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

►

Participant Signature

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Date (month | day | year)

Spousal Consent to Waiver of Qualified Joint and Survivor Annuity:

I am the spouse of the participant named above. I hereby consent to my spouse's election not to have benefits under his or her Plan paid in the form of a Qualified Joint and Survivor Annuity. I understand that by consenting to my spouse's waiver, I may be forfeiting benefits I would be entitled to receive when my spouse dies. I understand that I cannot revoke my consent unless my spouse revokes the above waiver.

►

Spouse Signature

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Date (month | day | year)

Witness of Notary (Date of spouse's signature MUST be same as date of notary's signature):

The signature of the spouse must be witnessed by a notary public. Subscribed and sworn to me this

_____ day of _____, 20____. My commission expires: _____.

►

Witnessed by Notary Public

--

Date (month | day | year)

Affix Seal Here

10. PLAN ADMINISTRATOR APPROVAL (To Be Completed by Plan Sponsor or Third Party Admin (TPA))

Has the final contribution been submitted for this participant? ☐ Yes ☐ No

If the final payroll for this participant has not been submitted to RPC, provide the final payroll ending date.

--

Date (month | day | year)

If an end date is provided, RPC will coordinate processing of this distribution with receipt of the final payroll to avoid additional contribution payouts that often remain uncashed.

A: IRS Distribution Code

The applicable IRS distribution code will be based on the type of distribution and/or age of the participant.

☐ Check this box, if the early distribution exception code applies. (Code 2 will be applied)

Code B will be included with the applicable code if the distribution includes Designated Roth contributions and the combination is valid.

B: Loans

If a loan is active at time of distribution (Termination, Retirement or Disability), we will apply the applicable age dependent loan distribution code.

Loans can only be rolled over to an employer sponsored qualified plan.

☐ Check this box, if the loan rollover code applies. (Code G will be applied)

Distribution Request Form

10. PLAN ADMINISTRATOR APPROVAL (To Be Completed by Plan Sponsor or TPA) - (continued)

C: Vesting percentage(s)

Vesting is mandatory for all participant withdrawals. The unvested money will be transferred to the plan forfeiture account.

_____ % for ALL Employer money types

OR

Vesting varies by money type as indicated below.

Money Type	%	Other ER Money	%	Other ER Money	%
ER Match					
Profit Sharing					

11. THIRD PARTY ADMINSTRATOR (TPA) WITHDRAWAL FEE (if applicable)

\$ _____ RPC is not responsible for any uncollected fee amounts as a result of insufficient funds.

Flat Fee Amount _____ No Fee will be applied if this section is not completed.

12. PLAN ADMINISTRATOR, PLAN TRUSTEE OR AUTHORIZED SIGNER SIGNATURE

I, the Plan Administrator, Plan Trustee or Authorized Signer, have reviewed the form and to my knowledge believe the participant information completed on this form is correct, and the required participant consent and spousal consent (if applicable) has been properly attained. I acknowledge Retirement Plan Consultants, LLC to determine tax withholding and reporting requirements based on the information provided on the distribution request form, and hold Retirement Plan Consultants harmless if any errors are made dependent on this acknowledgement.

Based on the client records, the employee/participant information shown on this form is correct. To my knowledge all the above information is complete and correct. I confirm the required participant consent and, if applicable, spousal consent has been properly attained. To my knowledge the funds being withdrawn are not for the purpose of prohibited transactions as defined in IRC Sec. 4975.

I direct Retirement Plan Consultants, LLC to make payment to the Third Party Administrator according to Section 11 of this form if applicable. I understand this fee will be deducted from the participant's account balance at the time of distribution, and will be paid to the Third Party Administrator according to Retirement Plan Consultant, LLC's policies and procedures. I confirm this fee agrees with the fee schedule for the plan, and is a reasonable fee under the terms of the plan.

Plan Administrator, Plan Trustee or Authorized Signer Name (Please Print)

►

Plan Administrator, Plan Trustee or Authorized Signer Signature

- -

Date (month | day | year)

Special Tax Notice For Payments Not From A Designated Roth Account

YOUR ROLLOVER OPTIONS

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

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 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
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution

- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA)

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

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

If you are under age 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 09/11/2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution

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 for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status)

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

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

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

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

If you miss the 60-day rollover deadline

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

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

If you 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 59-1/2, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

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

*** Recent law changes (Tax Cuts and Jobs Act) have extended the amount of time you have to rollover a loan offset from 60 days to until your tax filing due date (including extensions) for the year in which the loan offset amount arose. This extension only applies if the offset was due to your termination from service or termination of the plan.***

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

If you were born on or before 01/01/1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

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

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 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 01/01/1936" do not apply.

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

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

If you roll over your payment to a Roth IRA

If you roll over the payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early

distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from 01/01 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 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 01/01 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

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

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before 01/01/1936" applies only if the participant was born on or before 01/01/1936.

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59-1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70-1/2.

If you 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 are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an

inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

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

If you are a nonresident alien

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

Other special rules

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

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

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

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

FOR MORE INFORMATION

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

Special Tax Notice For Payments From A Designated Roth Account

YOUR ROLLOVER OPTIONS - ROTH

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

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 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 01/01 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 01/01 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 01/01 of the year for which your first contribution was made to any of your Roth IRAs)

- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions)
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA

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 at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70-1/2 (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations

- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if S corporation stock is held by an IRA)

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

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

If a payment is not a qualified distribution and you are under age 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 09/11/2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution

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 for health

insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status)

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

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

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

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 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 to a Roth IRA for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

If you have an outstanding loan that is being offset

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

*** Recent law changes (Tax Cuts and Jobs Act) have extended the amount of time you have to rollover a loan offset from 60 day until your tax filing due date (including extensions) for the year in which the loan offset amount arose. This extension only applies if the offset was due to your termination from service or termination of the plan.***

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

If you were born on or before 01/01/1936, and receive a lump sum distribution that is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you receive a nonqualified distribution, are an eligible retired public safety officer, and your pension payment is used to pay for health coverage or qualified long-term care insurance

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

If you are not a plan participant

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, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before 01/01/1936" applies only if the participant was born on or before 01/01/1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to 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 59-1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70-1/2.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if

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

Payments under a qualified domestic relations order. If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment as described in this notice).

If you are a nonresident alien

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

Other special rules

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

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

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

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

FOR MORE INFORMATION

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