Death Benefit Claim Request
401(k) Plan

Refer to the Death Benefit Claim Guide while completing this form. Use blue or black ink only.

A certified death certificate must accompany this form.

State of Tennessee 401(k) Plan — 98986-02

Decedent's Information

Last Name | First Name | MI

Social Security Number

City, State and Country of Legal Domicile at Time of Death

Account Extension (if applicable)

Mo | Day | Year — Date of Birth

Mo | Day | Year — Date of Death

Claimant's Information

Last Name | First Name | MI

Address - Number & Street

City | State | Zip Code

( ) Home Phone

( ) Work Phone

Specify Claimant's relationship to the decedent:

Has this account already been transferred to the Claimant?
❑ Yes ❑ No

Is Claimant a ❑ U.S. Citizen ❑ U.S. Resident Alien?
❑ Other ____________________

Country of Residence __________________________(Required)

Mo | Day | Year — Date of Birth

Is Claimant a minor? ❑ Yes ❑ No
If yes, complete information below regarding minor's representative.

Minor's Representative Information

Relationship to Minor

Last Name | First Name | MI

Address - Number & Street

City | State | Zip Code

Tax Identification Number

If Claimant is an individual, provide the Social Security number. If Claimant is not an individual, such as a trust or estate, provide the taxpayer identification number ("TIN").

Social Security Number

Taxpayer Identification Number

Supporting Documentation

1. If Claimant is an Estate - Attach Letters Testamentary or Letter of Administration.
2. If Claimant is a Minor - Attach final judicial order appointing guardian of conservator of minor's property or minor's birth certificate, if requestor is a birth parent.
3. If Claimant is a Trust - Attach first page, signature and certification page and page designating trustee from the Trust document. Also, attach Trustee Acceptance of Appointment document signed by the current trustee(s).

Last Name	First Name	MI	Social Security Number

Type of Claim (check all that apply) Effective Date ____________

❑ **Leave Funds in the Account** (Subject to minimum distribution rules and Plan document provisions)
An original or a certified death certificate must be attached for this option.
Check one:

- ❑ Spousal Claimant
- ❑ Non-spousal Claimant

❑ **Full Distribution of Claimant's Share** (Both Non-Roth and Roth money sources will be distributed, if applicable)

❑ **Periodic Payment of Claimant's Share** ❑ Non-Roth ❑ Roth

If both or neither Non-Roth and Roth money sources are selected above, we will debit the Non-Roth money source first.

If at any time a money source and/or investment option has been depleted, we will automatically prorate across all money sources and/or investment options.

Payment Start Date: ____________ Frequency: ❑ Monthly ❑ Quarterly ❑ Semi-Annually ❑ Annually

- ❑ Payment of an Amount Certain $ ______________
- ❑ Payment for a Period Certain (Years) ____________
- ❑ Required Payment Based Upon Claimant's Life Expectancy (available only to individual Claimants)

❑ **Annuity Purchase With Another Provider -** Name of Provider ________________________________

❑ Non-Roth ❑ Roth

❑ **Direct Rollover -** Provide company information.

Non-Roth

Spousal Claimants

- ❑ Direct Rollover to an Eligible Plan
  - ❑ Governmental 457(b) ❑ 401(a) ❑ 401(k) ❑ 403(b)
- ❑ Direct Rollover to a Traditional IRA
- ❑ Direct Rollover to a Roth IRA - Subject to ordinary income taxes

Non-Spousal Claimants - This option is only available to Claimants who are individuals or a trust whose beneficiaries are treated as designated beneficiaries. If a trust Claimant elects a rollover to an inherited IRA, by signing this form, the trustee of the trust certifies that the trust meets the requirements of Section 1.401(a)(9)-4 of the Treasury Regulations and that all documentation requirements are satisfied.

- ❑ Direct Rollover to an Inherited Traditional IRA
- ❑ Direct Rollover to an Inherited Roth IRA - Subject to ordinary income taxes

Roth

Spousal Claimants

- ❑ Direct Rollover to an eligible Plan that has a designated Roth account: ❑ Governmental 457(b) ❑ 401(k) ❑ 403(b)
- ❑ Direct Rollover to Roth IRA

Non-Spousal Claimants - This option is only available to Claimants who are individuals or a trust whose beneficiaries are treated as designated beneficiaries. If a trust Claimant elects a rollover to an inherited IRA, by signing this form, the trustee of the trust certifies that the trust meets the requirements of Section 1.401(a)(9)-4 of the Treasury Regulations and that all documentation requirements are satisfied.

- ❑ Direct Rollover to an Inherited Roth IRA

❑ **Transfer -** Attach acceptance letter and provide company information.

Amount $ ______________

Last Name | First Name | MI   Social Security Number

Company Information

Non-Roth

Company or Trustee's Name (to whom the check should be made payable)   Account Number

Mailing Address

(   )

City/State/Zip Code   Phone Number

Roth

Company or Trustee's Name (to whom the check should be made payable)   Account Number

Mailing Address

(   )

City/State/Zip Code   Phone Number

Spousal/Non-Spousal Claimants

If you are a Claimant requesting a full withdrawal as a direct rollover and the minimum distribution requirements have not been met, provide the amount of your required minimum distribution below. Note: The required minimum distribution cannot be rolled over. If you have not yet satisfied the minimum distribution requirements for the year, your required amount must be distributed prior to processing a rollover.

Required minimum distribution amount $ ______________

Do you wish to have 10% federal income tax and applicable state tax withheld from your required minimum distribution? ❑ Yes ❑ No

Additional amounts may be withheld at your request $ ______________

Claim Delivery

❑ **Check** ❑ Mailing Address - ______________________________

❑ **Express Delivery -** $25.00 non-refundable charge per check - If both **Non-Roth** and **Roth** money sources are allowed by your Plan and distributed, $25.00 will be deducted from each check, totaling $50.00. Not available for periodic payments. Express delivery available Monday through Friday only. Not available to P.O. boxes.

❑ **ACH -** Available on periodic payments at no charge. Available on one-time full/partial distribution payment to self for a $15.00 non-refundable charge. If both **Non-Roth** and **Roth** money sources are allowed by your Plan and distributed, $15.00 will be deducted from the **Non-Roth** and **Roth** money sources, totaling $30.00. ACH credit can only be made into a United States financial institution. Any requests received referencing a foreign financial institution or referencing a United States financial institution with a further credit to an account associated with a foreign financial institution will be rejected.

❑ Checking Account - must attach preprinted voided check

❑ Savings Account - must attach a letter on financial institution letterhead signed by a representative of the financial institution that includes Claimant's name, savings account number and ABA routing number

Financial Institution Name   Account Number   ABA Routing Number

Financial Institution Mailing Address   City   State/Zip Code

Last Name | First Name | MI | Social Security Number

Federal and State Income Tax Withholding

Federal Income Tax - No federal income tax will be withheld from direct rollovers. Twenty percent (20%) mandatory federal income tax withholding will apply to all distributions that are eligible for rollover, but are not rolled over. For all other payments, federal income tax will be withheld at the rate of 10%, unless Service Provider is directed otherwise below.

A trust Claimant will be treated as an individual beneficiary for the purposes of tax withholding unless a trustee checks the box below:

❑ By checking this box, the trustee of the trust certifies that the Claimant trust does not meet the requirements of Section 1.401(a)(9)-4 of the Treasury Regulations and should be treated as a non-individual Claimant for the purpose of tax withholding.

❑ Do NOT withhold federal income tax from Claimant's distribution only if distribution is not eligible for rollover.

If Claimant would like **additional** federal income tax withheld, indicate amount $ ____________ or ______________% of the claim amount.

If Claimant is electing a periodic payment for a period certain of 10 years or longer or for his/her life expectancy, he/she may complete and attach IRS Form W-4P. You may obtain a Form W-4P at http://www.irs.gov.

State Income Tax - For all Claimants, if Claimant lives in a state that mandates state income tax withholding, it will be withheld.

❑ Check here if Claimant lives in a state that does not mandate state income tax withholding and would like state income tax withheld.

If Claimant would like **additional** state income tax withheld, indicate amount $ ____________ or ______________% of the claim amount.

If this section is not completed, state income tax will not be withheld unless the decedent resided in a state that mandates income tax withholding. Tennessee does not currently have a state income tax, so no state tax will be withheld if you live in Tennessee.

Signature(s) and Consent

Claimant Consent

Any person who knowingly presents a false or fraudulent claim is subject to criminal and civil penalties.

My signature acknowledges that I have received, read, understand and agree to all pages of the Death Benefit Claim Request form, the Death Benefit Claim Guide and the Special Tax Notice, and affirms that all information I have provided is true and correct. By requesting my distribution via ACH deposit, I certify, represent and warrant that the account requested for an ACH deposit is established at a financial institution or a branch of a financial institution located within the United States and there are no standing orders to forward any portion of ACH deposit to an account that exists at a financial institution or a branch of a financial institution in another country. I understand that it is my obligation to request a stop to this ACH deposit request if an order to transfer any portion of payments to a financial institution or a branch of a financial institution outside the United States will be implemented in the future. Service Provider reserves the right to reject the ACH request and deliver any payment via check in lieu of direct deposit. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information.

I understand that for at least 30 days after my receipt of the 402(f) Notice of Special Tax Rules on Distributions, I have the right to consider whether to consent to a distribution of the vested account balance or elect a direct rollover of any vested portion of the eligible rollover distribution. By signing this form less than 30 days after I received the 402(f) Notice of Special Tax Rules on Distributions, I affirmatively waive any unexpired portion of the 30 day period and affirmatively elect a distribution from the account pursuant to this Death Benefit Claim Request form.

Claimant Signature | **Date (Required)** | **Title if you are acting in a representative capacity**

Statement of Notary **SEAL**

State of ____________)

) ss.

County of ____________)

The above election was subscribed before me by ______________________

on this _________ day of ______________________, year _________ who affirmed that such election represents his/her free and voluntary act.

Notary Public ______________________ My commission expires __________

Last Name	First Name	MI	Social Security Number

Registered Representative Signature

Signature of Registered Representative signifies that this form has been reviewed to ensure that all required information is complete. The Claimant is a named beneficiary and is entitled to ________% of the benefits payable in respect of the decedent.

I am forwarding an Original or Certified Copy of the death certificate received from the Claimant to the Service Provider. See attachment to this form.

Registered Representative Signature **Date**

Claimant forward to Plan Administrator/Trustee
Plan Administrator forward to Service Provider at:
Great-West Retirement Services®
PO Box 173764
Denver, CO 80217-3764
Express Address:
8515 E. Orchard Road, Greenwood Village, CO 80111
Phone #: 1-800-922-7772
Fax #: 1-866-745-5766

Death Benefit Claim Guide

401(k) Plan

This Guide will assist Claimant in completing the Death Benefit Claim Request form (the "Form") for Internal Revenue Code ("Code") section 401(k) plans. Claimant should read all pages of this Guide before Claimant begins to complete the Form. The Guide will assist Claimant in completing each section of the Form and give Claimant the information Claimant needs to make informed decisions regarding his or her claim. If Claimant needs further clarification about the information discussed in this Guide, call a representative at Service Provider. Claimant can also call 1-800-922-7772 to speak with a service representative.

Claimant is strongly urged to consult with an accountant and/or tax advisor in the preparation of the Form. While our representatives are able to explain Claimant's options to Claimant, they cannot tell Claimant which payment and tax-withholding method is best for Claimant. Claimant's local representative or any Service Provider representative will not provide tax or legal advice. Additionally, neither this Guide nor the Form represents tax or legal advice.

Please note that Service Provider cannot release the claim until the Great-West Retirement Services® Representative confirms that Claimant is a named beneficiary under the Plan and is otherwise entitled to assert a claim.

Waivers or Consents of Inheritance and Estate Taxes - Certain states require Service Provider to obtain waivers or consents from the state's Department of Revenue or Taxation before Claimant is able to assert a claim. If the decedent lived in a state that requires this waiver, Claimant MUST attach the waiver to the Form at the time the Form is submitted to Service Provider. It is Claimant's responsibility to ensure that the decedent's state of residence does not require any form of waiver or consent.

Additionally, certain states require that Service Provider provide notice to the state that a distribution will be made to a Claimant. If the decedent's state of residence requires a notice of distribution, Service Provider will so notify the appropriate state department.

Service Provider is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, Service Provider cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC Web site at:
http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx.

The Form - The Form is divided into several sections, with each section requiring Claimant to provide specific information.

The sections on the Form are:

- Decedent's Information
- Claimant's Information
- Minor's Representative Information
- Tax Identification Number
- Supporting Documentation
- Type of Claim
- Direct Rollover
- Claim Delivery
- Federal and State Income Tax Withholding
- Signature(s) and Consent

Note: If there is more than one account or plan number, Claimant must complete a separate Form for each account or plan number.

Incomplete or Inaccurate Information - In the event that any section of the Form is incomplete or inaccurate, Service Provider may not be able to process the claim requested on the Form. Claimant may be required to complete a new Form or provide additional or proper information before his or her claim will be processed.

Changes to Claimant's Request - If Claimant makes a change to the Form as Claimant is completing it, Claimant must cross out any previously elected choice(s) and initial all changes. If Claimant does not initial all changes, the Form may be returned to Claimant for verification.

Self-Directed Brokerage ("SDB") Account Notice - If the decedent had an SDB account, Service Provider will contact the SDB provider to transfer the funds to the core investments (non-SDB investments) before Service Provider can process the claim.

The Form

Note: Please use blue or black ink when completing the Form.

Decedent's Information

Last Name, First Name, MI - The decedent's full name is required in order to properly identify the account.

City, State, and Country of Legal Domicile at Time of Death - This information is required in order for the claim to be properly filed and tax reported.

Social Security Number - The decedent's Social Security number is required to properly identify the account and report any applicable withholding information to the Internal Revenue Service.

Account Extension - The account extension identifies funds that were transferred through a divorce or death. If an account extension has been issued, but this field is blank, Service Provider will return the Form.

Date of Birth - The decedent's date of birth is required to properly process the claim.

Date of Death - The decedent's date of death is required to properly process the claim.

Claimant's Information

Last Name, First Name, MI - The full name of Claimant is required in order to properly process the claim.

Address - Number & Street
City, State, Zip Code - This information is required in order to properly process the claim.

Home Phone, Work Phone - This information will allow Service Provider to contact Claimant if necessary regarding the claim.

Specify Claimant's Relationship to the Decedent - Claimant's relationship to the decedent is required in order to properly process the claim.

Transfer to Claimant - Indicate whether the account has already been transferred to Claimant.

Is Claimant a U.S. Citizen or U.S. Resident Alien? - Claimant's citizenship status is required to properly tax report the distribution. If Claimant is not a U.S. citizen or U.S. resident alien, please provide Claimant's country of residence.

Date of Birth - Claimant's date of birth is required to properly process the claim.

Is Claimant a Minor? - If the answer to this question is yes, complete the next section on the Form regarding the minor's representative information.

Minor's Representative Information

This section must be completed if Claimant is a minor. All correspondence and claims will be addressed to the minor's representative for the benefit of Claimant.

Payments may be made to a guardian of a minor's estate or a conservator who has been appointed as such for the minor by final judicial order. A copy of the court order must be submitted to Service Provider with the completed Form.

Under the Uniform Transfers to Minors Act, if a guardian or conservator has not been appointed by an appropriate court, certain states allow funds to be transferred to a custodian for the minor who is an adult member of the minor's family. In general, transfers under this law may not be made if a state has not adopted it, or the proceeds exceed a specified dollar amount under the state's statutory law. Payments cannot be made to a person solely because he/she is the parent of the minor or has custody of the minor unless a state law in the minor's state of residence specifically authorizes such payment, a proper court order authorizing payment has been obtained or the Plan Document allows for such payment.

It is Claimant's responsibility to determine whether and to what extent the Uniform Transfers to Minors Act has been adopted in his or her state of residence.

If Service Provider is unable to make payment because a guardian or conservator has not been appointed by final judicial order, or a state law where the minor resides or the Plan Document does not authorize payment to a custodian or other person, the proceeds must remain in the decedent's account until the minor reaches the age of majority.

Tax Identification Number

Provide a complete and correct tax identification number for Claimant on the Form. If Claimant is an individual, provide the individual's Social Security number. If Claimant is a trust or estate, generally a taxpayer identification number ("TIN") must be provided. In cases of a trust Claimant, a Social Security number may be appropriate if the grantor is living and is also the trustee.

Payments may be made to a personal representative appointed by an appropriate final judicial order. Personal representatives must provide a TIN for the decedent's estate. If a personal representative has not been appointed by an appropriate court because the value of the estate is small, certain states will allow certain successors of the decedent to submit a small estate affidavit allowing them to receive payment. In such cases, only one affidavit containing the notarized signatures of all successors should be submitted to Service Provider. If appropriate documentation is not submitted, Service Provider may be unable to make payment. Claimants should obtain and submit appropriate documentation to Service Provider on a timely basis to avoid penalties and taxes.

Type of Claim

It is Claimant's responsibility to ensure that the distribution method and effective date selected meet the requirements of the Internal Revenue Code and applicable federal Treasury regulations.

Effective Date - The effective date of the claim will be the later of the date selected as the effective date and the date Service Provider receives a properly completed Form.

Leave Funds in the Account - An original or a certified death certificate must be attached for this option. If the decedent died prior to his or her required beginning date, Claimant can elect to leave the funds in the Plan until distributions are required to begin. You should refer to your 402(f) Notice of Special Tax Rules on Distributions for additional information about minimum distribution requirements.

If the decedent died after his or her required beginning date, Claimants may not select the Leave Funds in the Account option.

By selecting this type of claim, Claimant understands that a recordkeeping account will be set up under Claimant's name. All existing monies will remain in the same investment option(s) in effect on the date the Death Claim form is received in good order. Claimant will have the option of transferring the monies to other investment options by visiting the Web site at www.treasury.tn.gov/dc or by calling KeyTalk®. However, some investment options may not be available for transfer. Claimant may not make any additional deposits to this account.

Claimant must also complete a Beneficiary Designation form. Claimant may obtain this form by contacting his or her local Service Provider representative.

If a trust is named as a beneficiary, the beneficiaries of the trust can be treated as the designated beneficiaries if the trust meets the requirements of Section 1.401(a)(9)-4 of the Treasury Regulations. Please consult your accountant and/or tax advisor.

Full Distribution of Claimant's Share - Check this box if Claimant wants a full distribution of his or her share of the account. The full vested value of each investment option will be distributed based on the instructions on the Form. Service Provider will liquidate the funds pro-rata from all available investment options with a balance and from all money sources, including Non-Roth and Roth.

Periodic Payment of Claimant's Share - Claimant must select a payment start date and Non-Roth and Roth money sources, if applicable. The payment start date is the date the funds will be distributed from the account. Claimant may choose any day of the month with the exception of the 29th, 30th or 31st. Claimant must also select the frequency of payment - monthly, quarterly, semi-annually or annually. Allow approximately 5 - 10 business days from the payment start date to receive the distribution. If both or neither Non-Roth and Roth money sources are selected, we will debit the Non-Roth money source first. Your payment will be prorated across all money sources and/or core investment options. In addition, if at any time a money source and/or core investment option has been depleted, we will automatically prorate across all remaining money sources and/or core investment options. It is solely the responsibility of Claimant to ensure that the payment option elected satisfies the minimum distribution requirements.

The Periodic Payment Options Are as Follows:

1. Payment of an Amount Certain - Designate the dollar amount Claimant wishes to receive on a regular installment basis (monthly, quarterly, semi-annually or annually). The payments will continue until the account balance is zero. The number of payments Claimant receives will vary depending on the performance of the underlying investment options.

2. Payment for a Period Certain (Years) - Claimant will receive payments on a regular installment basis (monthly, quarterly, semi-annually or annually). Payment amounts will depend on the length of time in years during which Claimant elects to receive payments, the periodic basis that Claimant chooses, and the performance of the underlying investment options.

   The payment amount will be calculated by dividing the current account balance by the number of remaining payments. For example, if the payout is to be monthly for 4 years, the initial payout amount will be equal to 1/48 of the account balance. The second payment will be 1/47 of the account balance, the third will be 1/46, and so on.

   The payment is recalculated each time a payment is distributed; therefore, the amount of each payment typically differs. The payment amount will vary depending on the performance of the underlying investment options. The balance will be zero by the end of the term selected.

3. Required Payment Based Upon Claimant's Life Expectancy - This payment option is available to individual Claimants only. Claimant will receive payments as required under the federal minimum distribution requirements calculated based upon Claimant's life expectancy.

Direct Rollover

Direct Rollover to an Eligible Plan, Traditional IRA or Roth IRA - This option is only available to Claimants who are individuals or a trust maintained for one or more designated beneficiaries. Claimant must determine whether the Plan or IRA accepts eligible rollover distributions.

Claimant may not roll over any portion of a distribution equal to the minimum distribution amount required for a particular calendar year that has not been previously paid. Any required minimum distribution amount will be paid out first before the rollover will be processed.

If Claimant is the spouse of the decedent and is requesting a direct rollover, an eligible rollover distribution is paid from the Plan directly to an eligible Code Section 401(a), 401(k), 403(a), 403(b), or governmental 457(b) plan or to a Traditional IRA. An eligible rollover distribution may be paid directly to a Roth IRA. A rollover distribution to a Roth IRA is subject to income tax. If Claimant is not the spouse of the decedent and is requesting a direct rollover, a rollover distribution is paid from the Plan directly to an inherited Traditional IRA or an inherited Roth IRA. If a trust Claimant elects a rollover to an inherited IRA, the trustee of the trust certifies by signing the form that the trust meets the requirements of Section 1.401(a)(9)-4 of the Treasury Regulations. The trustee must submit required documentation to support its claim.

Indicate the dollar amount Claimant wants to roll over and provide the company name, account number, mailing address, city, state, zip code and a phone number for the direct rollover. In the event of an inconsistency between information contained on the Form and any other information provided with the Form, the information on the Form will be used. Once Service Provider has processed a direct rollover, it cannot be returned.

If Claimant chooses this type of claim, a Form 1099-R will be issued for reporting purposes; however, no federal income tax will be automatically withheld from amounts directly rolled over.

After-tax contributions in a 401(a)/401(k) plan may be rolled into a 401(a)/401(k) plan, 403(b) plan, a Traditional IRA, and to a Roth IRA. After-tax contributions in a 401(a)/401(k) plan, however, may not be rolled over to a governmental 457(b) plan. If the decedent had after-tax contributions in the account and Claimant elects a direct rollover to a governmental 457(b) plan, the cost basis of the after-tax contributions will be distributed to Claimant and the investment earnings on the after-tax contributions will be included in the rollover amount.

Claim Delivery

The delivery of the claim may depend on the type of claim elected on the Form. Certain delivery options are not available on all types of claims. Below is a description of each delivery option.

Check - Claimant can receive the claim by check regardless of the distribution method selected on the Form.

Mailing Address - Check this box if Claimant wants the check to be sent to an address other than the address provided on the first page of the Form.

Express Delivery - Express delivery is available for full distributions only. The amount of the claim check will be reduced by $25.00 per check for this service. If both **Non-Roth** and **Roth** money sources are allowed by your Plan and distributed, $25.00 will be deducted from each check, totaling $50.00. Express delivery is available for Monday through Friday delivery only and is not available to P.O. boxes. Delivery is not guaranteed to all areas.

Automated Clearing House (ACH) - Check this box and complete this section only if Claimant wants the periodic payments or full distribution of their share to be electronically deposited into his or her checking or savings account. Claimant may not designate a business account or an IRA. Claimant can select ACH if Claimant selected a periodic payment at no charge or if Claimant is requesting a one-time full/partial distribution payment to self. ACH credit can only be made into a United States financial institution (bank/credit union). If Claimant requests a one-time full/partial distribution payment to self, Claimant's payment amount will be reduced by $15.00 for this service. If both **Non-Roth** and **Roth** money sources are allowed by your Plan and distributed, $15.00 will be deducted from the **Non-Roth** and **Roth** money sources, totaling $30.00. Complete the financial institution name, account number, ABA routing number, financial institution mailing address, city, state and zip code. For a checking account, Claimant must attach a preprinted voided check. If a preprinted voided check is not available, Claimant must attach a signed letter from Claimant's financial institution, on their letterhead, that confirms the ABA routing number and Claimant's name and account number. For a savings account, Claimant must attach a letter on financial institution letterhead signed by a representative of the financial institution that includes Claimant's name, savings account number and ABA routing number.

General ACH Information

By choosing an ACH credit to Claimant's financial institution account, Claimant is authorizing Service Provider to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to Claimant's checking or savings account. Claimant is also authorizing Claimant's financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account. Service Provider will make payments in accordance with the directions Claimant has specified on the Form until such time that Claimant notifies Service Provider in writing that Claimant wishes to cancel the ACH agreement. Claimant must provide notice of cancellation at least 30 days prior to a payment date for the cancellation to be effective with respect to all of Claimant's subsequent payments.

Service Provider reserves the right to terminate the ACH transfers for any reason and will notify Claimant in the event of such termination by sending notice to Claimant's last known address on file with Service Provider.

It is Claimant's obligation to notify Service Provider of any address or other changes affecting Claimant's electronic fund transfers during Claimant's lifetime. Claimant is solely responsible for any consequences and/or liabilities that may arise out of Claimant's failure to provide such notification.

By selecting an ACH method of delivery, Claimant acknowledges that Service Provider is not liable for payments made by Service Provider in accordance with a properly completed Form. By selecting this method of distribution delivery, Claimant is authorizing and directing Claimant's financial institution not to hold any overpayments made by Service Provider on Claimant's behalf, or on behalf of Claimant's estate or any current or future joint accountholder, if applicable.

ACH delivery is not available to a foreign financial institution or to a United States financial institution for subsequent transfer to a foreign financial institution. Any requests received containing foreign financial institution instructions will be rejected and require new ACH or Check delivery instructions.

ACH for Periodic Payments Only

ACH is a form of electronic funds transfer by which Service Provider can transfer payments directly to Claimant's financial institution. Allow at least 15 days from the date Service Provider receives the properly completed Form to begin using ACH for Claimant's payments. Upon receipt of a properly completed Form, Service Provider will notify the financial institution of the ACH request with the account information provided. The pre-notification process takes approximately 10 days. During the pre-notification process, the financial institution will confirm with Service Provider that the account and routing information submitted is correct and that it will accept the ACH transfer. After this confirmation is received, the payments will be transferred to Claimant's financial institution within 2 days of the first payment date. If the payments are withdrawn from investments that are subject to time delays upon withdrawal, the deposit to Claimant's financial institution may be delayed accordingly. In the event of a change to the periodic payments, the electronic funds transfer may be subject to a delay, and a check will be sent to Claimant's last known address on file with Service Provider.

If Claimant's financial institution rejects the pre-notification, Claimant will be notified and checks will be mailed to Claimant until Claimant submits an Electronic Funds Transfer (ACH) form. As a result, it is important that Claimant continues to notify Service Provider in writing of any changes to Claimant's mailing address.

Federal and State Income Tax Withholding

Federal Income Tax - No federal income tax will be withheld from direct rollovers. Twenty percent (20%) mandatory federal income tax withholding will apply to all distributions that are eligible for rollover, but are not rolled over. For distributions not eligible for rollover, the distribution is subject to federal income tax withholding unless Claimant elects not to have withholding apply. If Claimant elects not to have federal income tax withholding apply to his or her claim or if he or she does not have enough federal income tax withheld from the claim, Claimant may be responsible for payment of estimated tax. Claimant may incur penalties under the estimated tax rules if his or her withholding and estimated tax payments are not sufficient.

A trust Claimant will be treated as an individual non-spousal beneficiary for the purposes of tax withholding unless a trustee of the trust certifies that the trust does not meet the requirements of Section 1.401(a)(9)-4 of the Treasury Regulations and should be treated as a non-individual beneficiary.

State Income Tax - For all Claimants, if Claimant lives in a state that mandates state income tax withholding, it will be withheld. If Claimant wishes to have additional state income tax withheld or if Claimant lives in a state that does not mandate state income tax withholding, Claimant may elect to have an additional amount withheld. Check the appropriate box on the Form.

Income Tax Withholding Applicable to Payments Delivered Outside the U.S.

If Claimant is a U.S. citizen or U.S. resident alien and Claimant's payment is to be delivered outside the U.S. or its possessions, Claimant may not elect out of federal income tax withholding.

If Claimant is a non-resident alien, Claimant must attach IRS Form W-8BEN with an original signature. In general, the withholding rate applicable to the claim is 30% unless a reduced rate applies because Claimant's country of residence has entered into a tax treaty with the U.S. and the treaty provides for a reduced withholding rate or an exemption from withholding. To obtain IRS Form W-8BEN, call 1-800-TAX-FORM.

Contact your tax professional for more information.

Outstanding Loan Payoff (if applicable)

If the decedent has an outstanding loan on the account, the outstanding loan balance (principal and interest) will be treated as a taxable distribution and the amount of the distribution will be tax reported to the decedent's estate.

Signature(s) and Consent

Claimant Consent

Claimant must sign and date the Form. Read the disclosure on the Form in this section before signing. By signing the Form, Claimant attests to receiving, reading, understanding and agreeing to all provisions of the Form, the Guide and the Special Tax Notice.

Registered Representative Signature

The Registered Representative signature is required. The claim will not be processed without the Registered Representative signature. If entitlement percentage is not provided, Service Provider will pay the Claimant 100% of the account value.

Submitting the Form

For more information about available investment options, including fees and expenses, you may obtain applicable prospectuses and/or disclosure documents from your representative. Read them carefully before investing.

Once Claimant has completed the Form, forward it to the address indicated on the last page of the Form.

Important Note

Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state, and local tax laws may be revised, and new plan provisions may be adopted by the Plan. For the most up to date version of this Guide, please visit the Web site at www.treasury.tn.gov/dc or call 1-800-922-7772.

Access to KeyTalk® or the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

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 State of Tennessee 401(k) 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.

<u>If you do a direct rollover</u>, 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.

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 1/2 (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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

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

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

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

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

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

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

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

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

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

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals $12,000, of which $2,000 is after-tax contributions. In this case, if you roll over $10,000 to an IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

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

If you miss the 60-day rollover deadline

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

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

If you do not do a rollover, 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.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution 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 January 1, 1936" do not apply.

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

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

If you roll over your payment to a Roth IRA

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

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

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

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

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If 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 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 cash-out 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 cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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

FOR MORE INFORMATION

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

For Payments 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 State of Tennessee 401(k) 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 January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Where may I roll over the payment?

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

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

How do I do a rollover?

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

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

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

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include an allocable portion of the earnings in your designated Roth account.

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 1/2 (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if S corporation stock is held by an IRA).

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

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

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

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- 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.

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

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

- There is no special exception for payments after separation from service.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

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

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

If you 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.

If you receive a nonqualified distribution and you were born on or before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump sum distribution 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 January 1, 1936" applies only if the participant was born on or before January 1, 1936.

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

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 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 cash-out 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 cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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

FOR MORE INFORMATION

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

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