

CONTRACT #L06503

IBEW LOCAL 163 ANNUITY FUND  
C/O I.E. SHAFFER & CO.  
830 BEAR TAVERN RD 2<sup>ND</sup> FLOOR  
PO BOX 1028  
TRENTON NJ 08628-0230  
PHONE (609) 883-6688 FAX (609) 530-1331  
APPLICATION FOR BENEFITS

**INSTRUCTIONS:**

- a. Read and complete all sections of this application.
- b. Both you and your spouse must sign this application and your spouse's signature must be witnessed by a Notary Public.
- c. If you are applying for a Disability Benefit, submit a copy of your Award Certificate from Social Security indicating that you have qualified for federal disability retirement.

**SECTION I - Type of Benefit For Which You Are Applying**

I hereby apply for (check one) to become effective \_\_\_\_\_ 1st, 20\_\_\_\_\_

\_\_\_\_\_ Retirement Benefit (You must be retired from all participating employers and be at least age 55.)

\_\_\_\_\_ Termination Benefit (You have not worked under the collective bargaining agreement or in the Electrical Industry for 6 consecutive months, or you are not working under the collective bargaining agreement or in the Electrical Industry and you have exhausted your eligibility for unemployment benefits.)

Date last worked \_\_\_\_\_ Name of last employer \_\_\_\_\_

\_\_\_\_\_ Disability Benefit  
Nature of Disability \_\_\_\_\_

Date Total Disability Started \_\_\_\_\_

Date applied for Social Security Benefits \_\_\_\_\_

**SECTION II - Personal Information**

Name of Applicant \_\_\_\_\_ Soc Sec # \_\_\_ / \_\_\_ / \_\_\_\_\_

Street Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Date of Birth \_\_\_ / \_\_\_ / \_\_\_\_\_ Telephone # (     ) \_\_\_\_\_

Marital Status (Circle One):    Single        Married        Divorced        Widow(er)

Name of Spouse \_\_\_\_\_ Date of Birth \_\_\_\_ / \_\_\_\_ / \_\_\_\_    Soc Sec # \_\_\_ / \_\_\_ / \_\_\_\_\_

**SECTION III - Form of Payment**

You may elect to receive your benefits under one of the following forms of payment. Please elect the form of payment you desire by checking the applicable box below:

1. \_\_\_\_\_ **Spouse's Joint and 50% or 75% to Survivor Life Annuity** –Contact John Hancock at 800-294-3575 for an annuity request form.
2. \_\_\_\_\_ **Lump Sum Settlement** - I elect to receive a check made payable to me in a lump sum. (If you wish to receive only a portion of your account, please indicate the amount \$\_\_\_\_\_.)
3. \_\_\_\_\_ **Lump Sum Rollover** to my institution.
4. \_\_\_\_\_ **Partial Rollover** to my institution. Please indicate the amount \$\_\_\_\_\_.
5. \_\_\_\_\_ **Monthly Installments** - I elect to receive my accumulated share in equal monthly installments (select one):  
      \_\_\_\_\_ Over a period of \_\_\_\_\_ years (not to exceed my remaining life expectancy).  
      \_\_\_\_\_ In monthly installments of \$ \_\_\_\_\_.

**SECTION IV - Income Tax Withholding**

The benefits you receive under this Plan will be subject to Federal Income Tax. Compliance with the Unemployment Compensation Amendments Act of 1992 requires mandatory withholding at the rate of 20% on all lump sum distributions, unless they are transferred **DIRECTLY** to an IRA or another qualified plan, thus avoiding receipt by the participant. Furthermore, all installment payouts of less than 10 years are subject to mandatory withholding as well. Only on installment payouts of greater than 10 years may you elect to have less than 20% withheld from your payments. However, in all cases you have the option to request more than the required 20% withholding.

Please note that withholding is a method of paying taxes and does not increase or decrease your taxable income, or the total amount of taxes that you pay. Also, participants who receive a distribution prior to age 59 1/2 should be aware that they may be subject to an additional 10% Early Distribution Penalty Tax.

Depending upon the form of payment you selected in Section II, please complete the appropriate withholding section below:

**For Lump Sum Payment:**

**Federal Income Tax**

- A. \_\_\_\_\_ I elect to transfer my distribution directly to an IRA or another qualified plan and therefore do not want any taxes withheld from my payment.

- B. \_\_\_\_\_ I elect to have the mandatory 20% withheld from my payment.
- C. \_\_\_\_\_ I elect to have \$\_\_\_\_\_ withheld from my payment (must be greater than the mandatory 20% amount).

## State Income Tax

**1. Mandatory State Withholding:** If you reside in a state where state income tax withholding is mandatory (AR, CA\*, DE, IA, KS, MA, MD (mandatory for eligible rollover distributions only, subject to 20% mandatory federal withholding), ME, NC, NE, OK\*, OR\*, VA or VT\* applicable withholding will be deducted automatically, unless election out is applicable (see below). Note: Some states require withholding if federal income tax is withheld from the distribution.

- a. \_\_\_\_\_ My resident state is AR, DE, KS, ME, NC, NE or VA (for NE and VA, election out is allowed for payments from IRA's only) and I do not want state income tax withholding deducted from my distribution. (An election out of AR, DE, KS, ME, NC, or VA state tax is not allowed for eligible rollover distributions, subject to 20% mandatory federal withholding.)  
***Important note to Maine (ME) residents: If you elect out of ME withholding, you must either have elected out of federal withholding or have no Maine State tax liability in the prior or current years.***
- b. \_\_\_\_\_ \*My resident state is one of the following: CA, OK, OR, \*\*VT and withholding is required if federal income tax is withheld, unless I elect out of state withholding. By checking this option I am electing out of state withholding. \*\*An election out is not allowed for eligible rollover distributions, subject to 20% mandatory federal withholding.

**2. Voluntary State Withholding:** If state income tax withholding is not mandatory in your state, you may be allowed to request state tax withholding. If your state of residence is not listed, or if you choose a method of withholding that is not offered for your state, we cannot withhold state income tax.

- a. \_\_\_\_\_ I reside in one of the following voluntary withholding states: AL, CO, CT, DC, GA, ID, IL, IN, KY, LA, MD (non-eligible rollover distributions only), MI, MN, MO, MS, MT, ND, NJ, NM, NY, OH, PA, RI, SC, UT, WI, WV (NE and VA state withholding is voluntary for payments from IRA's only) and would like state income tax withheld. (Specify a percentage or dollar amount to be withheld)

\_\_\_\_\_ % or \$ \_\_\_\_\_

- b. \_\_\_\_\_ I reside in one of the voluntary withholding states listed above and I do not want state income tax withheld from my distribution.

**3. No State Withholding:** Some states do not have state income tax withholding.

- a. \_\_\_\_\_ I reside in one of the following states: AK, FL, HI, NV, NH, SD, TN, TX, WA, WY and there is no state income tax withholding.

b. \_\_\_\_\_ I reside in the state of AZ and there is no state income tax withholding on non-periodic (single sum) payments.

I wish to have my disbursement check sent by express mail to my home, employer, or alternate institution's address. Therefore, please deduct \$25.00 from my account prior to the distribution. Please Note: Express mail is not available for systematic disbursements or delivery to post office boxes.

**For Monthly Payments:**

**Federal Income Tax**

- A. \_\_\_\_\_ I elect to have the mandatory 20% withheld from my payment.
- B. \_\_\_\_\_ I elect to have \$\_\_\_\_\_ withheld from my payment (must be greater than the mandatory 20% amount).
- C. \_\_\_\_\_ I do not want to have Federal Income Tax withheld from my payments (May only select if installment payout period is at least 10 years).
- D. \_\_\_\_\_ I elect to have withholding from my benefit payments based on the applicable withholding tables and withholding allowances. I am entitled to \_\_\_\_\_ withholding allowances (May only select if installment payout period is at least 10 years).

**State Income Tax**

**1. Mandatory State Withholding:** If you reside in a state where state income tax withholding is mandatory (AR, CA\*, DE, IA, KS, MA, MD (mandatory for eligible rollover distributions only, subject to 20% mandatory federal withholding), ME, NC, NE, OK\*, OR\*, VA or VT\* applicable withholding will be deducted automatically, unless an election out is applicable (see below). Note: Some states require withholding if federal income tax is withheld from the distribution. If state income tax withholding is not mandatory in your state, you may be allowed to request state tax withholding. If your state of residence is not listed, or if you choose a method of withholding that is not offered for your state, we cannot withhold state income tax.

\_\_\_\_\_ I reside in one of the following states: DE, GA, KS, ME, NC, NE, OK, OR, VA or VT and I want state income tax withholding applied to my distribution in accordance with the applicable withholding tables and the marital status/exemption information provided here:

- a. Marital Status (Circle One):   Single   Married
- b. Number of Exemptions: \_\_\_\_\_
- c. Additional Flat Amount: \$\_\_\_\_\_

Note: A marital status must be circled on Line a. and the number of exemptions must be entered on Line b. to withhold an **additional** flat amount, entered on Line c.

**2. Voluntary State Withholding:** If state income tax withholding is not mandatory in your state, you may be allowed to request state tax withholding. If your state of residence is not listed, or if you choose a method of withholding that is not offered for your state, we cannot withhold state income tax.

- a. \_\_\_\_\_ I reside in AR, DE, KS, ME, NC, NE, or VA (for NE and VA election out is allowed for payments from IRA's only) and I do not want state income tax withheld from my distribution. (An election out of AR, DE, KS, ME, NC, or VA state tax is not allowed for eligible rollover distributions, subject to 20% mandatory withholding.) **Important note to Maine (ME) residents: If you elect out of ME withholding, you must either have elected out of federal withholding, or have no Maine State tax liability in the prior or current years.**
- b. \_\_\_\_\_ I reside in one of the following voluntary withholding states: AL, AZ, CO, CT, DC, ID, IL, IN, KY, LA, MD (non-eligible rollover distributions only), MI, MN, MO, MS, MT, NE, ND, NJ, NM, NY, OH, PA, RI, SC, UT, VA, WI, WV (for NE and VA, election allowed for payments from IRAs only) and would like state income tax withheld. (Specify a percentage or dollar amount to be withheld)

\_\_\_\_\_ % or \$ \_\_\_\_\_

**3. No State Withholding:** Some states do not have state income tax withholding.

\_\_\_\_\_ I reside in one of the following states: AK, FL, HI, NV, NH, SD, TN, TX, WA, WY and there is no state income tax withholding.

**SECTION V – Direct Rollover Arrangements**

Please complete this section if you wish to have your lump sum distribution transferred directly to an IRA or another qualified plan.

\_\_\_\_\_  
(Name of Institution or Plan)

\_\_\_\_\_  
(Payee Designation)

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(Account Number)

\_\_\_\_\_  
(City, State, Zip)

Is this a ROTH IRA? Check one - Yes \_\_\_\_\_ or No \_\_\_\_\_

**SECTION VI - Direct Deposit Arrangements**

You can arrange to have your benefit payment forwarded directly to your bank and deposited to your checking or savings account. If you desire to have such an arrangement, please complete the information below. **If possible, it is preferable to simply attach a voided blank check or personalized deposit slip (provided it bears the magnetic numbers along the bottom) to this section of the application.**

\_\_\_\_\_  
(Name of Bank)

\_\_\_\_\_  
(Account Number)

\_\_\_\_\_  
(Street Address)

Account Type \_\_\_\_\_ Checking  
(Check One Only) \_\_\_\_\_ Savings

\_\_\_\_\_  
(City, State, Zip)

\_\_\_\_\_  
(Bank's ABA Number)

I authorize the IBEW Local 163 Annuity Fund (the "Plan") to initiate credit entries to my designated account shown above (this includes authorization to correct any entries made in error). I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. This authorization will remain in full force and effect until the Plan has received written notification from me to change it in such time and manner as to afford the Plan and Bank a reasonable opportunity to act.

**SECTION VII - Signature**

I understand and agree to the following:

- A. I will furnish to the Board of Trustees any information or proof requested by it and reasonably required to administer the Plan.
  - B. If under Plan, I am eligible for a choice of benefits, I will be given 30 days after notification in which to make my election.
  - C. If I have selected a Direct Rollover Arrangement, I hereby represent that the recipient institution or plan is eligible to receive such rollover.
  - D. Code Section 402(f) (revised) requires that certain basic tax rules be provided in writing to participants no more than 90 days and no less than 30 days prior to the date of distribution.
- I certify that I have read the "Special Tax Notice Regarding Plan Payments" attached to this application for benefits.

\_\_\_\_\_  
(Signature of Applicant)

As the lawful spouse of the Applicant, I hereby certify that I have read, understand and agree to the Form of Payment elected under Section III above by the Applicant. If the Applicant has elected a Form of Payment which is other than the Spouse's Joint and 50% to Survivor Life Annuity, I hereby agree with this election.

\_\_\_\_\_  
(Signature of Applicant's Spouse)

NOTARY

State of \_\_\_\_\_ )  
)SS:  
County of \_\_\_\_\_ )

Subscribed and Sworn to before me, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
(Notary Public)

**SECTION VIII - Plan Signature**

**VESTING 100%**

\_\_\_\_\_  
(Signature of authorized plan representative)



# Introducing CAPTRUST Financial Advisors

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## Expert Advice to Help Support Investment Decisions and Avoid Financial Stress

If you are like most people, you may struggle with feeling confident about making financial decisions. The Trustees for IBEW 163 Annuity Fund believes in helping you make the most of your compensation and benefits package and improving financial wellness is one of our top concerns. To help you achieve a strong financial future, and support your specific needs, we have hired CAPTRUST as a resource to help you with making important investment and financial decisions.

## Who are they?

CAPTRUST is an independent advisory firm that provides investment advice in a fiduciary capacity to the Trustees of IBEW 163 Annuity Fund and members. Members who need help navigating financial decisions (budgeting, debt management, credit, college savings) or retirement benefits can rely on this resource for support. CAPTRUST has been helping unions and providing personalized financial advice their individual members like you over 25 years. To learn more about the firm, visit [www.captrustadvice.com](http://www.captrustadvice.com).

## Is this advice part of my benefits package?

Yes, CAPTRUST is here to provide you with access to professional, unbiased advice. CAPTRUST will not sell you any products – their services are made available to you as part of the IBEW 163 Annuity Fund. When you meet with CAPTRUST, the first step is to work with them to create a comprehensive plan tailored to your individual needs. They have financial counselors to help guide you through decisions and provide individual advice across a variety of topics such as to how much you need to save, where to invest your retirement assets and how to integrate your information alongside your partner's accounts and /or other investments.

## How do I make an investment advice appointment with CAPTRUST?

The easiest way to make an investment advice phone appointment is to schedule it online at [www.captrustadvice.com](http://www.captrustadvice.com). You can also call CAPTRUST directly at 800.967.9948.





# Introducing CAPTRUST Financial Advisors

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## **What are the appointment times and what should I bring to my appointment?**

Appointments can be scheduled on Monday – Thursday from 8:30am to 8pm EST and Friday from 8:30am to 6pm EST. Appointments are scheduled in 30-minute intervals. Please have your John Hancock account login information, or a recent copy of your account statement and any other financial records you would like to have reviewed available for your appointment.

## **Is CAPTRUST replacing our retirement plan provider?**

No. John Hancock will remain the plan recordkeeper. CAPTRUST will offer advice and financial planning services to complement the existing services.

## **When should I call CAPTRUST?**

- Assistance creating a budget
- Assistance selecting investments
- Creating a financial plan
- Deciding how much you should be saving for retirement

## **When should I call John Hancock?**

- Changing your investment selections either online or over the phone
- Processing distributions
- Setting up a login online or over the phone
- Obtaining plan highlights, personal performance, and statements
- Updating personal information

# Enhance your financial wellness with **CAPTRUST**



- How do I budget towards my financial goals?
- How do I manage debt I have accumulated?
- How do I save for my child's education?
- Am I on track for retirement?



## Personalized, objective financial guidance is at your fingertips

Visit [captrustadvice.com](https://captrustadvice.com) to make an appointment

Call CAPTRUST at **800.967.9948**

The CAPTRUST Advice and Wellness team is available to provide you with financial guidance for your goals, including your retirement plan decisions.



Scan here to learn more about financial guidance services.



Scan here to schedule an appointment.

Call  **800.967.9948** or visit  [www.captrustadvice.com](https://www.captrustadvice.com)



**CAPTRUST**

## **YOUR ROLLOVER OPTIONS**

(Detach and Save For Your Records)

You are receiving this notice because all or a portion of a payment you are receiving from the **IBEW Local 163 Annuity Fund** (the “Plan”) may be 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 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

#### **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 59½ (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 70½ (or after death)
- Hardship distributions
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)

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

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- 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

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

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

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

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

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

### **If you are not a plan participant**

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 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

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

**If 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 an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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

### **FOR MORE INFORMATION**

You may wish to consult with the Plan administrator or 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](http://www.irs.gov), or by calling 1-800-TAX-FORM.

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## **DIRECT ROLLOVER INSTRUCTIONS**

If you elect to do a direct rollover of your lump sum distribution, you should contact the institution or plan that you are rolling this money into, and inquire if there is any additional paperwork such as an IRA application or rollover/transfer form that you must complete. If so, you should enclose a copy of that completed paperwork with this application when you return this application to I.E. Shaffer & Co. Failure to do so on your part could unnecessarily delay your rollover.