Franklin Templeton Bank & Trust, F.S.B.
403(b) Plan Distribution Request Form

FRANKLIN TEMPLETON INVESTMENTS

Do not use for Corrections of Excess Contributions, Divorce (QDRO) Settlements or Beneficiary Distributions.

For assistance, please contact your financial advisor, go to franklintempleton.com or call Franklin Templeton Retirement Services at (800) 527-2020.

1 PARTICIPANT INFORMATION
Please Print clearly in all CAPITAL LETTERS using black ink.

Name | Social Security number | Date of birth (required) (mm/dd/yyyy)

Street address Check here if new address[1] ☐ | City | State | ZIP code

This request applies to the following account(s): Account numbers

FINANCIAL ADVISOR INFORMATION: Name of Financial Advisor | Phone number ( ) | Fax number ( )

2 QUALIFYING DISTRIBUTION EVENT

☐ **Age 59½ or Older**
☐ **Separation From Service Before Age 55**[2]
☐ **Separation From Service After Age 55**[2] (exception to early distribution penalty)
☐ **Permanent & Total Disability:** Please complete the certification in Section A on page 6.
☐ **Financial Hardship While Employed** (If permitted by the Employer, in-service partial withdrawals only): Please complete the 403(b) Plan Distribution Form, then refer to Section B on page 4. Pursuant to section 403(b)(11) of the Internal Revenue Code ("IRC"), only salary reduction contributions, excluding post-1988 earnings, are eligible for financial hardship.
☐ **Plan Termination** (if initiated by the Employer)

NOTE:
- All distributions must be certified by the Employer or a Third Party Plan Administrator in **Section 3**, below.[2]
- A 10% federal tax penalty may apply to distributions taken prior to age 59½.

3 CERTIFICATION BY EMPLOYER OR THIRD PARTY PLAN ADMINISTRATOR

EMPLOYER OR THIRD PARTY PLAN ADMINISTRATOR: I certify that the qualifying distribution event indicated in Section 2 is available under the terms of the Plan and that the participant is eligible for a distribution based on the indicated event.

X ______________________________ Date (mm/dd/yyyy) | Phone ( )

Employer or Plan Administrator Authorized Signature

Name of Signer (Please Print) | Name of Employer

Employer's street address | City | State | ZIP code

4 METHOD OF DISTRIBUTION

☐ **Balance of Account**
☐ **Partial Payment of** $ ______ ; ______ %; **or** ______ **Shares**
☐ **Pay Dividends &** ☐ **Capital Gains**
☐ **Periodic Payments** Please allow up to three weeks for start of periodic payment.

NOTE: If your distribution is eligible for rollover treatment, **mandatory 20% federal withholding** may apply. Please consider this when requesting distribution amount.

☐ Monthly ☐ Quarterly ☐ Annually **Beginning** Month ______ ☐ 1st ☐ 10th ☐ 20th ☐ 5th ☐ 15th ☐ 25th 2 0 __ __

If no selection is made, payments will be processed on the 20th.

CHOOSE ONE PERIODIC PAYMENT OPTION:

☐ Fixed amount: Partial distribution of $ ______ each period
☐ Period certain: Total distribution over ______ years (not to exceed life expectancy)
☐ Fixed amount: $ ______ over life expectancy based on an assumed interest rate[3]
☐ Minimum based on life expectancy including **Required Minimum Distribution (RMD)** payments[3]

NOTE: January Required Minimum Distributions (RMDs) may be delayed if the distribution is for the 1st or 5th of the month. Please refer to Section C, Questions and Answers on Required Minimum Distributions (RMD).

If spouse is your beneficiary, please provide beneficiary information below:

Name of spousal beneficiary (of record) | Date of birth (mm/dd/yyyy) | Social Security number

1. A signature guarantee required for distributions to a new address.
2. Certification by the Employer or an Authorized Plan Administrator is generally required for a distribution due to separation from service. However, certification may not be required if (1) the 403(b) plan was opened before 2005 and no contributions have been deposited into the plan since December 31, 2004 or (2) the 403(b) plan was opened with assets from a 90-24 transfer prior to September 24, 2007 and no salary deferral contributions have been deposited in the plan.
3. If under 59½, you will be deemed to have elected life expectancy payments under IRC §72(t)(2)(A)(iv) unless you indicate otherwise. See Special Tax Notice.

5 TAX WITHHOLDING

FEDERAL TAX WITHHOLDING (if applicable)

Distributions eligible for rollover that are not directed to an eligible rollover account will be subject to mandatory 20% federal tax withholding and may be subject to state tax withholding. Exceptions to mandatory withholding are detailed in the attached Special Tax Notice.

You may elect to modify or waive federal tax withholding **ONLY IF** your distribution qualifies as a:	
• Required minimum distribution (RMD) • Withdrawal due to financial hardship • Nontaxable distribution (such as a timely removal of an excess contribution)	**If your distribution qualifies under one of the conditions shown at left,** please select a federal tax withholding option: 1. ☐ NO federal tax withholding on my 403(b) distribution. 2. ☐ Please withhold based on marital status: ☐ **Single** ☐ **Married** **Allowances:** ______ *(if no election is made, the withholding rate will be calculated as if you are married and claiming three withholding allowances)* **Optional:** Additional withholding of ____ % (minimum 10%, if elected)
• Direct rollover (conversion) to a Roth IRA	**If your distribution qualifies as a direct rollover (conversion) to a Roth IRA,** please select a federal tax withholding option: 1. ☐ NO federal tax withholding on my 403(b) distribution. 2. ☐ Please withhold: ____ % (minimum 10%, if elected) **NOTE:** If you are under age 59½, any amounts withheld and not replaced into your Roth IRA within 60 days may be subject to a 10% early distribution penalty.

STATE TAX WITHHOLDING This service is only available to residents of AZ, CA, UT, VT and VA. If you have questions regarding state withholding, please consult with a tax advisor or your state's taxing authority.

If you are a resident of:	State tax withholding policy:	
ARIZONA	State tax withholding is permitted (withheld at the state's default percentage rate), but only on ***periodic*** payments. You may elect to have state tax withheld by checking this box:	☐ **YES withhold default state tax on *periodic payments.***
CALIFORNIA or VERMONT	*If federal tax is withheld,* and your distribution is **not** *eligible* for rollover treatment, state tax withholding is mandatory (withheld at state's minimum) unless you specifically elect not to have state taxes withheld by checking this box: ***Please note:*** *If your distribution is eligible for rollover and not directed to an eligible rollover account, state tax withholding is mandatory.*	☐ **NO state tax withholding on my distribution**
UTAH	State tax withholding is permitted whether or not federal tax is withheld. You may elect to have state tax withheld (withheld at the state's minimum) from your distribution by checking this box:	☐ **YES withhold minimum state tax on my distribution**
VIRGINIA	• *If federal tax is withheld,* and your distribution is **not** *eligible* for rollover treatment, state tax withholding is mandatory (withheld at the state's minimum). • *If federal tax is not withheld,* and your distribution is **not** *eligible* for rollover treatment, you may still elect to have state tax withheld by checking this box: ***Please note****: If your distribution is eligible for rollover and not directed to an eligible rollover account, state tax withholding is mandatory.*	☐ **YES withhold minimum state tax on my distribution**

6 PAYMENT, ROLLOVER & CONVERSION OPTIONS

Choose one option from *Payment Options* (below), *Rollover Options* or *Roth IRA Conversion Options* (on the next page).

PAYMENT OPTIONS

NOTE: A signature guarantee is required to send distribution checks to an alternate address. **See section 7,** *Participant's Certification & Authorization.*

☐ Send check(s) to me at the address of record

☐ Send check(s) to me at an alternate address:

Address ______ City ______ State ______ ZIP code ______

☐ Deposit into a non-retirement Franklin Templeton account:

Fund number ______ Account number ______

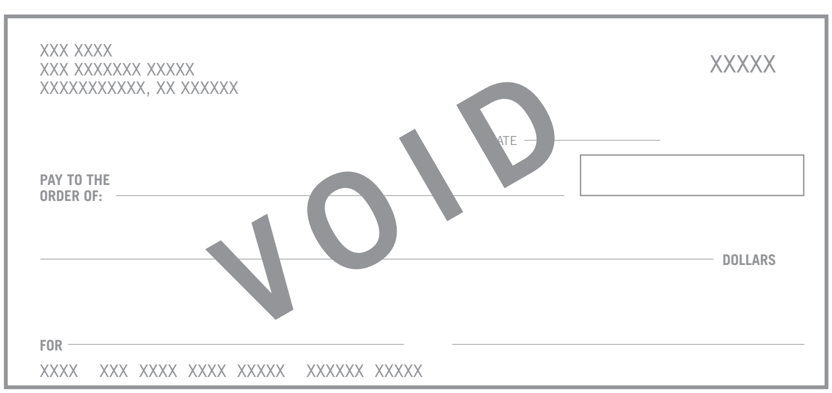
NOTE: This is a taxable distribution. To roll over to a Franklin Templeton IRA see *Direct Rollover to a Franklin Templeton IRA* on the next page.

If you do not have an existing Franklin Templeton non-retirement account, please attach a completed Account Application.

☐ Send money to my bank account via electronic funds transfer:

☐ Checking ☐ Savings Bank name ______ Account number ______

PLEASE TAPE A VOIDED CHECK OR SAVINGS ACCOUNT DEPOSIT SLIP IMPRINTED WITH YOUR NAME AND ADDRESS HERE.



6 PAYMENT, ROLLOVER & CONVERSION OPTIONS (cont'd.)

ROLLOVER OPTIONS

☐ Direct Rollover to a Franklin Templeton Traditional IRA: Fund number ______ Account number ______

If you do not have an existing Franklin Templeton Traditional IRA, please attach a completed IRA Application.

☐ Direct Rollover to a non-Franklin Templeton Traditional IRA or Qualified Plan:

☐ To an IRA
☐ To a Qualified Plan

Account number

NOTE: A signature guarantee is required for direct rollovers to a new custodian or trustee. **See section 7,** *Participant's Certification & Authorization.*

Custodian/Trustee

Phone number ( )

Address

City

State

ZIP code

ROTH IRA CONVERSION OPTIONS

☐ Conversion to a Franklin Templeton Roth IRA: Fund number ______ Account number ______

If you do not have an existing Franklin Templeton Roth IRA, please attach a completed IRA Application.

☐ Conversion to a non-Franklin Templeton Roth IRA:

Account number

NOTE: A signature guarantee is required for Roth IRA Conversions to a new custodian or trustee. **See section 7,** *Participant's Certification & Authorization.*

Custodian/Trustee

Phone number ( )

Address

City

State

ZIP code

7 PARTICIPANT'S CERTIFICATION & AUTHORIZATION

I certify under penalty of perjury that all information contained herein is true and correct. I hereby acknowledge that I have received and read the *Special Tax Notice* regarding plan distributions and waive the 30-day period that I may use when electing my distribution. I also acknowledge I am eligible to take the requested distribution at this time under the provisions of the FTB&T Custodial Account Agreement and the IRC. I further certify that I am a U.S. person (including a U.S. resident alien). *(Nonresident aliens should cross out the preceding sentence, and if claiming treaty benefits, attach a completed Form W-8BEN with a tax identification number provided by the U.S. Internal Revenue Service.)*

X
Signature of Participant

Date (mm/dd/yyyy)

Daytime phone number ( )

SIGNATURE GUARANTEE STAMP (if required)*

***Your signature must be guaranteed if your distribution will be:**

- over $100,000
- sent to a new address or any address *other than* the address of record
- made payable to a third party

A NOTARY SEAL IS NOT ACCEPTABLE.

Signatures may be guaranteed by one of the following: (1) national or state banks, savings associations, savings and loan associations, trust companies, savings banks, industrial loan companies, and credit unions; (2) national securities exchanges, registered secrities associations, and clearing agencies; (3) securities broker/dealers which are members of a national securities exchange or clearing agency, or which have minimum net capital of $100,000; or (4) institutions that participate in the Securities Transfer Agent Medallion Program ("STAMP").

Please mail to	WEST COAST	EAST COAST
Regular	**Franklin Templeton Bank & Trust, F.S.B.** **c/o Retirement Services** **P.O. Box 997153** **Sacramento, CA 95899-7153**	**Franklin Templeton Bank & Trust, F.S.B.** **c/o Retirement Services** **P.O. Box 33033** **St. Petersburg, FL 33733-8033**
Overnight	**Franklin Templeton Bank & Trust, F.S.B.** **c/o Retirement Services** **3344 Quality Drive** **Rancho Cordova, CA 95670-7313**	**Franklin Templeton Bank & Trust, F.S.B.** **c/o Retirement Services** **100 Fountain Parkway** **St. Petersburg, FL 33716-1205**

A CERTIFICATION OF PERMANENT & TOTAL DISABILITY

One of the following must be provided as proof of your Permanent & Total Disability.

1. ☐ Copy of your valid Social Security Award Certificate
2. ☐ The certification below completed by your physician

PHYSICIAN'S CERTIFICATION OF PERMANENT & TOTAL DISABILITY I hereby certify that the Participant named on page 1 has become unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment that is expected to last at least 12 months, and will be permanent and continuous during the remainder of his/her lifetime. I understand that this will serve as proof of Permanent & Total Disability of the Participant, in order for his/her distributions to be exempt from the IRS' 10% early distribution excise tax.

Physician's signature	Date
X	

Name (please print or type)	Name of Hospital/Clinic

Street address	City	State	ZIP code

3. ☐ On file with FTB&T & I certify that it is still valid. **Approximate date submitted:** (Month/Year)

B TO BE READ BY PARTICIPANTS REQUESTING FINANCIAL HARDSHIP DISTRIBUTIONS

Hardship Distributions. A participant shall be considered to have encountered financial hardship if the distribution is deemed necessary to satisfy an immediate and heavy financial need.

(a) A distribution will be deemed necessary to satisfy an immediate and heavy financial need only if the distribution is for:

- (i) medical expenses described in Code Section 213(d) incurred by the Participant, the Participant's spouse, or any dependents of the Participant (as defined in Code Section 152);
- (ii) the Participant's purchase (excluding mortgage payments) of his/her principal residence
- (iii) payment of tuition for the next 12 months of post-secondary education for the Participant, his/her spouse, children or dependents; or
- (iv) preventing the eviction of the Participant from his/her principal residence or foreclosure on the mortgage of the participant's principal residence;
- (v) payment of burial or funeral expenses of the Participant's spouse, parent, child or tax dependent; or
- (vi) the payment for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code Section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).

(b) A distribution will be deemed necessary to satisfy an immediate and heavy financial need if the following requirements are satisfied:

- (i) the distribution is not in excess of the amount of the Participant's immediate and heavy financial need (as determined under (a) above and including amounts that cover the taxes applicable to the hardship distribution);
- (ii) the Participant has obtained all distributions, other than hardship distributions, and all nontaxable loans currently available under the Participant's custodial accounts and under all plans maintained by the Employer;
- (iii) all custodial accounts maintained by the Participant and all deferred compensation plans maintained by the Employer provide that all voluntary contributions by the Participant shall be suspended for at least 6 months after the receipt of the hardship distribution; and
- (iv) all custodial accounts maintained by the Participant and all plans maintained by the Employer provide that the Participant may not make elective deferrals within the meaning of Code Section 402(g) for the Participant's taxable year immediately following the year of the hardship distribution in excess of the applicable limit imposed on elective deferrals under Code Section 402(g) for such taxable year less the amount of the Participant's elective deferrals for the taxable year of the hardship distribution.

(c) Income attributed to salary reduction contributions after December 31, 1988, may not be distributed in the case of hardship.

(d) The Employer or Plan Administrator shall be responsible for certifying the conditions set forth above are met by completing the Employer certification in Section 2 and understands that failure to meet these conditions may jeopardize the tax qualification of the Participant's Custodial Account.

(e) Beginning in 1999, hardship distributions from 403(b) plans are not eligible rollover distributions.

NOTE: Effective August 17, 2006, the 2006 Pension Protection Act expanded the financial hardship definition to include a financial hardship of the participant's non-spouse, non-dependent beneficiary. Consult your tax advisor for additional information.

C QUESTIONS & ANSWERS ON REQUIRED MINIMUM DISTRIBUTIONS (RMD)

Q-1 When must I begin receiving distributions from my retirement plan?

A-1 In general, you are required to start distributions no later than your "Required Beginning Date" (RBD), which is April 1st of the year following the year you reach age 70½ (your "70½ year"). You must take your second distribution by December 31st of the year following your 70½ year and a minimum distribution every year thereafter. Failure to withdraw the required amount may result in a 50% federal excise tax on the amount not withdrawn by the required date.

403(b) and qualified plan participants (other than 5% owners) who are over age 70½ and still employed are permitted to further delay their minimum distributions until April 1 following the year they retire [IRC §401(a)(9)(C) as amended by the Small Business Job Protection Act of 1996].

Q-2 How is my required minimum distribution calculated?

A-2 Your RMD is based upon a uniform distribution period that is determined by using a single table and using your actual age attained in the distribution year and without regard to whether or not you have named a beneficiary (see exception below for spousal beneficiary who is more than 10 years younger). The IRS table used for determining your distribution period is the Uniform Lifetime Table. To calculate your RMD, the prior year-end (December 31) balance of your account is divided by the applicable divisor in the current Uniform Lifetime Table. The current Table may be found in *IRS Publication 590, Individual Retirement Arrangements,* or on the IRS website, *www.irs.gov.*

Q-3 If I have designated my spouse as my primary beneficiary, can the minimum distribution amount be based on the joint life expectancy of my spouse and myself?

A-3 If your spouse is your *sole beneficiary* for the entire year **AND** is *more than 10 years younger* than you are, the Joint Life Expectancy Table may be used to determine your RMD. To calculate your RMD, the prior year-end balance (December 31) of your account is divided by the applicable divisor from the Joint Life Expectancy Table by using the actual ages of you and your spouse in the distribution year. The Joint Life Expectancy Table may be found in *IRS Publication 590, Individual Retirement Arrangements,* or on the IRS website, *www.irs.gov*.

Q-4 If I have designated my three children as primary beneficiaries of my retirement plan, can the minimum distribution amount be based on the joint life expectancy of myself and the youngest of my three children?

A-4 No. According to the final RMD regulations, even when multiple primary beneficiaries are designated, only your age is used to calculate your RMD by using a divisor that is the same as the divisor in the current Uniform Lifetime Table.

If your beneficiary designation is:	Refer to:
Spouse who is the *sole beneficiary* for the entire year:	The current Uniform Lifetime Table using your actual age attained in each distribution year. However, if your spouse is *more than 10 years younger,* refer to the Joint Life Expectancy Tables to find the new life expectancy factor each year by using the actual ages of you and your spouse in the distribution year.
Non-spouse beneficiary or spouse who is *not the sole beneficiary*:	The current Uniform Lifetime Table using your actual age attained in each distribution year.
Entity (Non-individual):	The current Uniform Lifetime Table using your actual age attained in each distribution year.

Q-5 Can I aggregate the minimum distribution amount of each of my 403(b) Plans held at different institutions, and then withdraw that total amount from only one of my 403(b) Plans?

A-5 Yes, according to IRS Notice 88-38, you may satisfy the minimum distribution requirements by calculating the balance of each 403(b) plan separately, adding together the RMD amounts of all 403(b) plans, and withdrawing the total amount from any one or more of your 403(b) plans.

This Q&A is designed to provide accurate information as of the printing date of this form; however, it should not be relied upon as tax or legal advice. If you have separately maintained records to identify your pre-1987 account balance, special grandfather rules may apply. **For tax or legal advice, the services of a tax or legal professional should always be sought.**

The rules governing taxation of plan distributions are complex. This summary, required by law, is very general and does not explain all of the factors that must be considered in determining what election to make with respect to a particular distribution. Also, the impact of state taxation is not discussed. You may obtain *IRS Publication 575, Pension & Annuity Income,* from your local IRS office or from the IRS website at *www.irs.gov*, or consult with a tax advisor for further guidance.

Special Tax Notice

The Internal Revenue Code ("IRC") provides several complex rules relating to the taxation of distributions you receive from your 403(b) Plan. This notice contains important information you will need *before* you decide how to receive your benefits from your Plan.

1 MANDATORY FEDERAL TAX WITHHOLDING

Plan distributions (excluding direct rollovers) are subject to mandatory federal tax withholding at the rate of 20%, **unless** the distribution is **not** eligible for rollover treatment. Examples of distributions that **cannot** be rolled over are:

1. financial hardship distributions;
2. minimum required distributions;
3. periodic payments over life expectancy or a period of not less than 10 years; and
4. nontaxable distributions (such as a timely removal of an excess contribution).

Special Tax Notice (cont'd.)

2 ROLLOVER TREATMENT

A 403(b) participant may avoid the 20% withholding on an eligible rollover distribution by having it rolled **directly** to an IRA or to an eligible employer plan (see below) that accepts rollovers. This is called a "Direct Rollover"—the distribution will still be reported on a Form 1099-R, but the taxable amount will be zero. If your Direct Rollover is made to an IRA, you may take distributions from the IRA without imposition of the 20% automatic withholding. The 10% early distribution penalty tax (discussed below) may still apply.

An alternative to a Direct Rollover would be to choose to receive an eligible rollover distribution (less the 20% federal tax withholding), and then complete the rollover yourself within 60 days of receipt. The drawback to this, of course, is that unless you have other resources to make up the amount that was withheld, you will owe taxes on that amount.

For example, suppose your distribution was for $10,000—you would receive a check for $8,000 (after the 20% withholding). In order to roll over the full amount of the $10,000 distribution, you would have to come up with the "missing" $2,000 from other sources, such as from your savings. If you end up rolling over just the $8,000, you will owe taxes on $2,000. In addition, you may also be subject to the 10% early distribution tax if you are under age 59½. When you file your tax return, depending on your tax liability, you may receive a refund of all or part of the $2,000 that was withheld from your distribution.

If an eligible rollover distribution is processed from your 403(b) plan account, you will receive a Form 1099-R reporting the distribution and you will need to reflect the rollover on your tax return. By doing so, you will not be subject to taxes on the portion rolled over.

Eligible Employer Plan

Your payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. An "eligible employer plan" includes a plan qualified under Section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase pension plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and a governmental 457 plan. An eligible employer plan is not required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers, and if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover.

Your Right to Waive the 30-Day Notice Period

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover; you may make this election by signing the *Participant's Certification and Authorization* section of the Franklin Templeton 403(b) Plan Distribution Form. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received in good order by Franklin Templeton Bank & Trust ("FTB&T").

3 IMPORTANT WITHHOLDING INFORMATION

As discussed above, eligible rollover distributions (unless directly rolled over) are subject to automatic 20% federal tax withholding. Those that are not eligible to be rolled over are still subject to federal withholding from which the participant has the right to elect out of. The standard withholding rate on non-periodic distributions is 10%, and withholding on periodic payments is based on the participant's marital status and number of allowances indicated on line 2 of the Withholding Election section. (Additional withholding may be chosen, as well.) **You are required to elect *out* of withholding in order for no withholding to apply to your distribution.**

For periodic payments, your election will remain in effect until you revoke it. You may change or revoke your withholding election as often as you wish by sending a signed letter to FTB&T, at least 15 days before the effective date.

4 EARLY DISTRIBUTION PENALTY

A 10% federal excise tax may apply to a taxable distribution that you receive prior to age 59½ and do not roll over. This penalty tax does not apply if you have separated from service in a year you reached age 55 or older, or you are permanently disabled. Other exceptions include distributions used to pay for deductible medical expenses, substantially equal periodic payments over single or joint life expectancy, and distributions to your beneficiary upon your death. Obtain IRS Form 5329 for further information on this tax.

5 IMPORTANT NOTICE REGARDING PERIODIC PAYMENTS

Code §72(t)(2)(A)(iv) permits participants under age 59½ to receive expectancy payments free from the 10% penalty tax, provided that such payments continue for 5 years from the first payment and through age 59½. IRS Notice 89-25 allows participants to "annuitize" their account over life expectancy (based on an assumed interest rate), enabling them to receive a fixed amount. Those who have elected either of these periodic payment methods pursuant to Code §72(t)(2)(A)(iv) shall be fully responsible for the proper reporting and monitoring of such payments. Requests to modify payment amounts will be accepted in writing only.

6 ERISA-COVERED 403(B) EMPLOYER REQUIREMENTS

The employer of an ERISA-Covered 403(b) Plan may impose certain requirements on the participant before he/she may receive a distribution under the Plan. The participant is responsible for determining and satisfying these requirements, if any, and representing to FTB&T by submitting the 403(b) Plan Distribution Request Form that he/she has obtained employer or authorized plan administrator approval if required for distribution.

SPECIAL TAX NOTICE CONCERNING YOUR PLAN DISTRIBUTION FROM A 403(B), PROFIT SHARING OR MONEY PURCHASE PENSION PLAN

You are receiving this notice to help you understand the tax consequences of the distribution you are receiving from your employer's 403(b), profit sharing or money purchase pension plan (the "Plan"), and your option to roll it over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

Rules that apply to most plan distributions 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 distribution from the Plan if you do not roll it over. If you are under age 59½ and do not roll it over, you will also have to pay a 10% IRS penalty tax on early distributions (unless an exception applies). If you rollover your distribution to an eligible plan, you will not have to pay taxes until you later receive distributions from that plan.

Where may I roll over the distribution?

You may roll over the distribution to either an IRA (including a SEP-IRA) 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 distribution 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 roll over my distribution?

There are two ways to roll over your distribution. You can do either a "direct" rollover or a "60-day" rollover.

- If you do a direct rollover, the Plan will make the distribution directly to your IRA or eligible employer plan. You should contact the IRA sponsor or the administrator of the Plan (generally your employer) for information on how to complete the direct rollover.
- If you do not do a direct rollover, you may still roll over your distribution by depositing it into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the distribution to complete the rollover deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the distribution for federal income taxes. This means that, in order to roll over the entire distribution in a 60-day rollover, you must use other funds (e.g., from your personal savings) to make up for the 20% withheld. If you do not roll over the entire amount of the distribution, the portion not rolled over will be taxed and will also be subject to the 10% IRS penalty tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to roll over your distribution, you may roll over all or part of the amount eligible for rollover. All Plan distributions are eligible for rollover, except:

- Certain distributions 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);
- Financial hardship distributions; and
- Corrective distributions of contributions that exceed tax law limitations.

The Plan administrator (generally your employer) or the payor can tell you what portion of a distribution is eligible for rollover treatment.

If I don't roll over my distribution, will I have to pay the 10% IRS penalty tax on early distributions?

If you are under age 59½, you will have to pay the 10% IRS penalty tax on early distributions for any distribution from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies:

- Distributions made after you separate from service if you will be at least age 55 in the year of the separation;
- Substantially equal periodic distributions that start after you separate from service over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Distribution made due to permanent disability;
- Distributions after your death;
- Corrective distributions of contributions that exceed tax law limitations;
- Amounts paid from the Plan directly to the government to satisfy a federal tax levy;
- Distributions made under a qualified domestic relations order (QDRO) to a former spouse or alternate payee;
- Distributions up to the amount of your deductible medical expenses; or
- Certain distributions made while you are on active duty if you were a member of a reserve component called to duty after Sept. 11, 2001 for more than 179 days.

If I roll over my distribution to an IRA, will the 10% IRS penalty tax apply to early distributions from the IRA?

If you receive a distribution from an IRA when you are under age 59½, you will have to pay the 10% IRS penalty tax on early distributions, unless an exception applies. In general, the exceptions to the 10% IRS penalty 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 IRA distributions.

- There is no exception for distributions 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 to a tax-free transfer made directly to an IRA of a spouse or former spouse as part of a divorce or separation agreement).
- The exception for substantially equal periodic distributions over a specified period applies without regard to whether you have separated from service.
- There are additional exceptions for (1) distributions used towards qualified higher education expenses, (2) distributions up to $10,000 used in a qualified first-time home purchase, and (3) distributions 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?

Please consult your tax advisor or your State’s tax agency. This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

What happens if I 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).

What if I was 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 distribution might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

Can I roll over my distribution to a Roth IRA?

Effective Jan. 1, 2010, you may roll over a distribution from the Plan to a Roth IRA (also referred to as a "Roth conversion"), regardless of your income. (Prior to 2010, only individuals with modified adjusted gross incomes up to $100,000 were eligible for such Roth conversions.).

If you roll over your distribution to a Roth IRA, a special rule applies under which the amount rolled over (reduced by any after tax amounts) will be taxed. (This is because of the "tax free distribution" feature on Roth IRAs.) However, the 10% IRS penalty tax on early distributions will not apply (unless you are under age 59 ½ and take the amount rolled over out of the Roth IRA within 5 years, counting from Jan. 1 of the year of the rollover). For Roth conversions made during 2010, the taxable amount can be deferred and split between tax years 2011 and 2012.

Account earnings withdrawn from a Roth IRA will not be taxable so long as the Roth IRA has been in place for five years and a qualifying event is met. For more information on Roth IRAs, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

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

What if I am the beneficiary of a plan 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% IRS penalty tax on early distributions, and the special rule described under the section "If you were born on or before Jan. 1, 1936" applies only if the participant was born on or before Jan. 1, 1936.

- If you are the surviving spouse, you have the same rollover options that the participant would have had, as previously described in this Notice. In addition, if you choose to roll over your distribution 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% IRS penalty 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% IRS penalty 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, 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% IRS penalty tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

What if I am the spouse of former spouse of a participant receiving a distribution under a Qualified Domestic Relations Order (QDRO)?

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

What if I am a nonresident alien?

If you are a nonresident alien and you do not request a direct rollover to a U.S. IRA or U.S. eligible employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the distribution for federal income taxes. If the amount withheld exceeds the amount of tax you owe, you may request an income tax refund by filing IRS Form 1040NR and attaching your Form 1042-S. Also, see Form W-8BEN for instructions on claiming a reduced rate of withholding under an income tax treaty, if applicable to your situation. 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 distribution 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 Plan distributions for the year total less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may complete a 60-day rollover.

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 your tax advisor, before taking a distribution from the Plan. Also, you can find more detailed information on the federal tax treatment of employer plan distributions 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.

Please keep this supplement for future reference.