Lincoln Financial Group®

For use with:
Multi-Fund® 1-4
Multi-Fund® Select
Lincoln Life Group Fixed Annuity

DISTRIBUTION REQUEST FORM

To be used for: General Distributions, Rollovers, Plan-to-Plan Transfers, Transfers, Contract Exchanges, or Purchase of Permissive Service Credits.

1. **IMPORTANT INFORMATION**
   - **Incomplete information will cause processing delays. Please submit all pages to this form.**
   - If you need assistance completing this form, please reference the How to Complete this Form section on Page 10.

2. **MARKET** - choose one.
   ☐ 403(b) ☐ 403 (b) ORP ☐ 401(a) ☐ 401(a) ORP ☐ 401(k) ☐ Roth 401(k) ☐ Roth 403(b) ☐ 457(b) Governmental

3. **CONTRACT OWNER/PARTICIPANT INFORMATION** - please print.

Contract/Account Number ______________________ *REQUIRED (refer to your statement)*

Name ______________________ Social Security Number ______________________

Mailing Address ______________________

(If mailing address is a P.O. Box, street address is also required.)

City, State, ZIP ______________________

☐ *Change my address on record as indicated above* OR ☐ *This is a temporary address to be used for this check only*

Daytime phone number ______________________ Evening phone number ______________________

4. **DISTRIBUTION ELIGIBILITY - Select all that apply in Section A or Section B.**
   Under Internal Revenue Code, an employee is only eligible to make a partial withdrawal, full withdrawal (surrender), or Rollover of salary reduction contributions if a reason listed below is applicable.

Section A - 403(b), 403(b) ORP, 401(a), 401(a) ORP, 401(k), Roth 401(k) and Roth 403(b) Plans	Section B - 457(b) Governmental Deferred Compensation Plans
☐ **Age 59½ or older** ☐ **In-service withdrawal - pre-age 59½** *(refer to plan administrator to determine eligibility)* ☐ **In-service withdrawal - age 59½ or older** *(refer to plan administrator to determine eligibility)* ☐ **Severance from employment** Termination Date ______________ ☐ **Hardship** *(Complete Section 6)* ☐ **Required Minimum Distribution (RMD)** for the calendar year of ____________ *(only applicable if age 70½ or older) (Complete Section 5)* ☐ **Plan Termination** *(refer to plan administrator to determine eligibility)* ☐ **Death** ☐ **Total/permanent disability** *(REQUIRED - a physician's statement that specifies both total and permanent disability, or a social security certificate)* ☐ **Qualified Domestic Relations Order (QDRO)** *(divorce or legal separation, copy of court order required)* ☐ **Return of excess employee salary reduction contribution:** Year of excess ______________ *(Complete Section 5)* ☐ **Return of ineligible employer contribution:** ☐ Match ☐ Discretionary Year of excess _________ Year distribution is taxable_________ ☐ **Withdrawal of pre-1989 grand-fathered value from a 403(b) plan** ☐ **Qualified military reservist distribution** *Active duty date* ____________________ *(Please provide date participant went on active duty. This type of distribution is not subject to the 10% tax penalty provided the participant is currently on active duty and has served more than 179 days.)* ☐ **Public Safety Employee Direct Payment for Insurance**	☐ **Age 70½ or older** ☐ **In-service withdrawal of $5,000 or less** *(refer to plan administrator to determine eligibility)* ☐ **Severance from employment** Termination Date ______________ ☐ **Required Minimum Distribution (RMD)** for the calendar year of ____________ *(only applicable if age 70½ or older) (Complete Section 5)* ☐ **Death** ☐ **Total/permanent disability** *(REQUIRED - a physician's statement that specifies both total and permanent disability, or a social security certificate)* ☐ **Qualified Domestic Relations Order (QDRO)** *(divorce or legal separation, copy of court order required)* ☐ **Return of excess employee salary reduction contribution:** Year of excess ______________ *(Complete Section 5)* ☐ **Qualified military reservist distribution** *Active duty date* ____________________ ☐ **Public Safety Employee Direct Payment for Insurance** ☐ **Unforeseeable emergency** *(Complete Section 7)*

5. WITHDRAWAL OPTIONS - This section must be completed.

☐ **Partial Withdrawal:** $________________________OR _____________% *(Write dollar amount or whole percent)*

If taxes are being withheld, do you want the check to equal the amount requested? ☐ **Yes** ☐ **No**

Please see Section 10 for more information regarding income tax withholding.

Please indicate which subaccounts you would like the withdrawal to be processed from. **If not indicated, the withdrawal will be pro-rata from each vested subaccount balance.**

Subaccount Name	**Choose One** *(Dollar amount or Whole Percent)* *If percentages, indicate a total of 100%*
______________________________	$ ____________________ OR ____________%
______________________________	$ ____________________ OR ____________%
______________________________	$ ____________________ OR ____________%

☐ **Return of Excess Deferral, Excess Contribution, or Excess Aggregate Contribution**

Excess Amount $ ________________ and Gains/Losses ________________ (if no amount given in this section, The Lincoln National Life Insurance Company (Lincoln) will calculate).

Indicate Subaccount Name ____.

☐ **Surrender** (Total Withdrawal)

☐ **Check here if you are requesting Lincoln to withdraw your Required Minimum Distribution (RMD) before your request for Contract Exchange/Rollover/Plan-to-Plan Transfer is completed** (complete RMD area below).

☐ **Required Minimum Distribution** (RMD) (Only applicable if 70½ or older) $ ______________________ (dollar amount).

- This is a one time distribution.
- This is a distribution based on Lincoln's analysis of the IRS rules regarding Required Minimum Distribution (RMD).
- If no dollar amount is provided, Lincoln will calculate your RMD.

If spouse is more than 10 years younger, the spouse's name and date of birth are **REQUIRED**.

Spouse's name ____ Spouse's date of birth ________________

6. HARDSHIP

You must complete the attached 403(b)/401(k) Hardship Distribution Checklist (EM26033-MF) and specify the dollar amount of your financial need below. You may request an additional amount over and above the amount of your financial need to cover taxes and any 10% penalty if you are under age 59 ½ by making that election below. Your request may not be honored if the amount of your financial need, taxes withheld and any 10% penalty exceeds the amount available for withdrawal. In the case of a hardship withdrawal, voluntary withholding should not exceed the expected federal taxes (ie, federal income tax and 10% early distribution tax) resulting from the distribution.

Dollar amount of hardship withdrawal $ ___________________ . The dollar amount requested must be stated.

I request an additional dollar amount to cover:

☐ Voluntary Tax Withholding elected in Section 10.

☐ 10% penalty tax

Note: If insufficient amounts are available to cover your request, Lincoln will attempt, in the following order, to (1) provide the withdrawal amount requested above, (2) cover the voluntary tax withholding and (3) increase withdrawal amount to cover tax penalty.

7. <u>457(b) UNFORESEEABLE EMERGENCY DISTRIBUTION</u>

Under a 457(b) plan, a hardship distribution can only occur when the participant is faced with an unforeseeable emergency. An unforeseeable emergency is a severe financial hardship resulting from an illness or accident, loss of property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or beneficiary.

If you answer "No" to any of these questions, you may not be eligible for an unforeseeable emergency distribution. All available sources of money must be used before an unforeseeable emergency distribution may be taken. If you answer "Yes" to any of these questions please provide your employer with supporting documentation.

☐ Yes ☐ No

Is the expense one of the following, which the IRS indicates may qualify for an unforeseeable emergency?

- Illness or accident of the participant or beneficiary, the participant's or beneficiary's spouse or the participant's or beneficiary's dependent.
- Loss of the participant's or beneficiary's property due to casualty.
- The imminent foreclosure of or eviction from the participant's or beneficiary's primary residence.
- The need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication.
- The need to pay for the funeral expenses of a spouse or dependent.

☐ Yes ☐ No

If the withdrawal request is for a dependent's funeral or due to a dependent's illness or accident, is the Dependant either a "qualifying child" or "qualifying relative" as described below?

"Qualifying child" is defined as a person that:

- is your child, stepchild, foster child, brother, sister, stepbrother, stepsister, or descendant of either;
- resides with you for more than half of the year;
- is under age 19 at the end of the year (or under the age of 24 if a full-time student for at least five months of the year) or was any age and permanently and totally disabled; **<u>and</u>**
- did not provide more than half of his or her own support for the year.

"Qualifying relative" is defined as a person that:

- lives with or is related to you;
- is supported (generally more than 50%) by you; **<u>and</u>**
- is neither your qualifying child nor the qualifying child of someone else.
- has gross income in the relevant calendar year of $3650 (for 2009) or less.

Dollar amount of unforeseeable emergency distribution $________________. The dollar amount requested must be stated.

I request an additional dollar amount to cover:

☐ Voluntary Tax Withholding elected in Section 10.

Note: If insufficient amounts are available to cover your request, Lincoln will attempt, in the following order, to (1) provide the withdrawal amount requested above, and (2) cover the voluntary tax withholding.

8. LOAN INFORMATION

Do you have a loan on this contract? ☐ Yes ☐ No

If you have an active loan balance, you may choose to:

☐ **Leave Loan(s) with Lincoln** OR

☐ **Close the active loan, withdraw the balance from the account** (an eligible distribution reason must be indicated in Section 4).

If no selection is made, the loan will remain active.

- If you withdraw the balance of an active loan, a mandatory 20% federal income tax withholding applies. If applicable, any mandatory state tax will also be withheld. You may elect a higher percentage of federal and state income tax withholding:

  Federal Income Tax Withholding _________% State Income Tax Withholding _________%

- If you have a defaulted loan, the loan balance will automatically be deducted from your account balance upon meeting an eligible reason for distribution.
- If you currently have two outstanding active loans, please indicate which loan should be withdrawn from the account balance:

  ☐ **Withdraw only the balance of loan number_______________________.**

  Approximate principal balance $________________________________

  ☐ **Withdraw the balance of both loans**

- If your active loan balance(s) is/are being withdrawn from your account balance, the amount will be reported to the IRS as a taxable event on form 1099-R for the year of the distribution.

9. ROLLOVER/PLAN-TO-PLAN TRANSFER/TRANSFER/PERMISSIVE SERVICE CREDIT/CONTRACT EXCHANGE

Complete this section to request a Rollover, Plan-to-Plan Transfer, Transfer, Permissive Service Credit, or a Contract Exchange.

- Amounts must be specified in Section 5.
- All Rollovers/Plan-to-Plan Transfers/Transfers/Contract Exchanges/Permissive Service Credit requests will be issued by check. **SecureLine®**, Direct Deposit or wires are not options.

If your new account is sponsored by a different employer, please provide the name of the New Employer/Contract Holder____

You must choose one of the following options:

☐ **Rollover:** Generally a rollover is used when moving assets to a different employer's program and/or changing market/plan types. Required Minimum Distribution (RMD) is not eligible for rollover. A distributable event is required.

To type of plan:

☐ 403(b) ☐ 403(b) ORP ☐ 401(a) ☐ 401(a) ORP ☐ 401(k)

☐ 457(b) Governmental ☐ IRA ☐ Roth 403(b) ☐ Roth 401(k)

☐ Inherited IRA (non-spousal beneficiary only) ☐ Public Safety Employee's Direct Payment for Insurance

☐ Roth IRA Conversion*

*If requesting a rollover of pre-tax accounts to a Roth IRA, Section 10 must be completed.

☐ **Plan-to-Plan Transfer:** A transfer that moves 403(b) assets from one plan to **another 403(b) plan**. A distributable event is not required.

To type of plan:

☐ 403(b) ☐ 403(b) ORP ☐ Roth 403(b)

☐ **Transfer:** A transfer is used to change investment carriers between the same plan type, but assets remain in the same employer's plan. A distributable event is not required.

To type of plan:

☐ 401(a) ☐ 401(k) ☐ 457(b) Governmental

☐ **Contract Exchange:** The transfer of 403(b) assets from one contract to another 403(b) contract under the **same** plan. A distributable event is not required.

To type of plan:

☐ 403(b) ☐ 403(b) ORP ☐ Roth 403(b)

☐ **Permissive Service Credit:** Credit for a period of service recognized by a Defined Benefit Governmental Plan. A transfer may be made **before** the participant has a severance from employment.

To type of plan:

☐ 401(a)

Vendor Information:

Other Vendor's Name ________________ **Contract #** ________________

Other Vendor's Address ________________________________

Other Vendor's City, State, ZIP ____________________________

If the complete address is not provided above or if the mailing address is not legible, the check will be made payable to the new/other vendor and will be mailed to you. You will then be responsible for mailing the check to the new/other vendor.

Contract Exchange Disclosure

Any contract exchange requested on or after January 1, 2009 requires evidence that the recipient investment/contract provider is approved by the Plan Sponsor to permit such an exchange.

Roth IRA Conversions

If you elect a partial conversion, you may need to complete a new application. You will qualify for the rollover of your eligible retirement plan account to a Roth IRA only if your modified adjusted gross income is $100,000 or less for the year.

10. <u>INCOME TAX WITHHOLDING</u>

A. Federal Tax Withholding Mandatory

Mandatory federal tax withholding of 20% applies to:

- Any distribution taken in cash that would otherwise be eligible for rollover. See Special Tax Notice for distributions that meet this description.

☐ **Mandatory 20% withholding, or increase to ___________%.** (may not be lower than 20%)
If no selection is made, a 20% mandatory federal withholding tax will be withheld.

B. Exceptions to Federal Income Tax Withholding

Federal tax withholding of 10% applies to distributions that are not eligible for rollover unless you elect to have no withholding apply:

- Financial Hardship Distribution.
- Required Minimum Distribution (RMD) - Please note: Any withdrawal amount, which exceeds the required minimum distribution dollar amount is subject to 20% mandatory federal tax withholding.
- Excess Contributions
- IRA ROTH Conversion - Taxes will be withheld from this rollover from an eligible retirement plan to Roth IRA as indicated below.

If you elect not to have taxes withheld, you will still be liable for payment of federal and state income tax, if applicable, at the time you prepare your personal tax filing. You may also be subject to tax penalties under the estimated tax payment rules if your payment of estimated tax and withholding, if any, are not adequate. You may wish to discuss your withholding election with a qualified tax advisor.

☐ **You elect NOT to withhold the 10% federal tax** - If you check this box, Lincoln will withhold 0% federal tax on distributions due to financial hardship distribution, required minimum distribution, or IRA ROTH Conversion only.

☐ **You elect to withhold 10% federal tax** - Lincoln will withhold 10% federal tax on distributions due to financial hardship distribution, required minimum distribution, or IRA ROTH Conversion. To elect withholding of more than 10%, please list ___________%.

If no selection is made, a 10% federal withholding tax will be withheld.

C. State Tax Withholding

Lincoln may be required to withhold state tax from your distribution based upon state tax law for your state of residency. In order to assist us with this, please provide your state of residence in the space below.

State of Residence:______________________________

Depending on your state of residence, you may elect not to have withholding apply, or if withholding is required, you may elect to increase the minimum rate of withholding. In other cases, state tax withholding is not available.

The following choices apply only if your state provides for income tax withholding. If your state mandates a higher amount of income tax withholding than you elect (including if you elect no income tax withholding), we will withhold the higher amount. We recommend that you contact your tax advisor before making any tax withholding elections to answer any questions that you may have regarding your state's withholding laws.

☐ **You elect <u>not</u> to withhold state income tax.**

☐ **You elect to withhold state income tax** $ _____________ or / ________ %

- If a percentage is noted above, Lincoln will apply the withholding percentage to the taxable distribution amount. CA and VT percentage will be based upon the federal withholding amount.

11. <u>DISTRIBUTION METHOD</u> - Must choose a selection below

Choose one: ☐ Direct Deposit ☐ SecureLine® or ☐ Check

(If a check is selected as the method of distribution, and permitted by your Plan Administrator - (ERISA plans only), a SecureLine® account will be set up for amounts $25,000 and above UNLESS you check the box below.)

If you wish not to establish a SecureLine® account please check this box. ☐

The **SecureLine®** account is a special service that The Lincoln National Life Insurance Company (Lincoln) offers in which your withdrawal proceeds of $25,000 and above are (excluding hardship distributions, contract exchanges, and rollovers to other carrier) placed into an interest-bearing account in your name. Instead of mailing you a check, Lincoln will send a checkbook so that you will have access to the account simply by writing a check for all or any part of the proceeds. You are the owner of the account, and the only one authorized to withdraw proceeds from the account. You may choose to leave the proceeds in this account, or you may begin writing checks immediately. The **SecureLine®** account is part of Lincoln's general account. It is not a bank account and it is not insured by the FDIC or any other government agency. As part of Lincoln's general account, it is subject to claims of our creditors. Lincoln receives a benefit from all amounts left in the **SecureLine®** account.

Deposit of your money into a **SecureLine®** account is NOT a rollover to an IRA or another retirement plan. Withholding tax will be taken from taxable distributions as described in Section 10. The 60 day rollover period that you have to maintain the tax deferral of your distribution will begin on the date that your **SecureLine®** account is established.

Direct Deposit- You, the contract owner/participant, authorize The Lincoln National Life Insurance Company (Lincoln) to deposit your distribution into the account identified below by means of Electronic Funds Transfer (EFT). You also authorize Lincoln to initiate corrections, if necessary, to any distribution made to this account under this authorization. You understand this authorization requires your financial institution to be a member of the National Automated Clearing House Association (NACHA).

- ***It may take 3 to 5 days for the deposit to reach your bank account. Please contact your financial institution for the actual date funds will be posted to your account. Service charges from your financial institution may apply.***
- ***Lincoln will not be held responsible for the date funds are actually credited to your account by your Financial Institution.***
- ***A check or a SecureLine® account will be issued if all of the direct deposit requirements are not complete.***

Type of account (complete the following):

☐ Checking (a voided check must be attached - NO DEPOSIT SLIPS) ☐ Savings

Financial Institution's Name ______________________________

Financial Institution's Telephone Number ______________________________

ABA number ______________ Account number ______________
(nine digit bank routing number)

12. CONTRACT OWNER/PARTICIPANT'S SIGNATURE

- *Your employer's authorization may be required, check with them before submitting your request.*
- *Prior to full withdrawal, if you are still contributing, please notify your employer to stop your payroll deduction.*
- *It is the individual taxpayer's responsibility for meeting the Internal Revenue Code requirements to qualify for this distribution.*
- *All signatures must be dated (mm/dd/yy) within 180 days of the date received by Lincoln to be valid.*
- *If your Plan requires spousal consent then your spouse must sign the waiver of rights in Section 13 and agree to this distribution.*
- *You elect to waive the thirty (30) day notice period for electing a direct rollover required by the IRS before a distribution can be processed.*

Beginning September 25, 2007, final 403(b) regulations began imposing new rules for contract exchanges.

A contract exchange processed on or after that date may require that the employer enter into an Information Sharing Agreement by January 1, 2009, or agree to coordinate the information necessary to satisfy Section 403(b) before any future distribution or loan is made from the recipient investment/contract provider.

If your employer is not currently sending contributions to Lincoln, or if an Information Sharing Agreement is not currently in place, then Lincoln Financial agrees to make a reasonable, good faith effort to contact the employer as required under Revenue Procedure 2007-71 before processing future distributions or loans.

Lincoln Financial Group® affiliates, their distributors and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Any tax statements contained herein were not intended or written to be used, and cannot be used for the purpose of avoiding U.S. federal, state or local tax penalties. Clients should consult their own independent advisor as to any tax, accounting or legal statements made herein.

By signing below, you certify that you have read and understand this form. You also represent that all of the information provided is accurate and complete. Additionally, if a hardship distribution is being requested, you have read, understand and agree to the terms and conditions outlined in Section 6, HARDSHIP or Section 7, 457(b) UNFORESEEABLE EMERGENCY DISTRIBUTION. Any false information provided may subject you to tax and legal penalties, including those related to fraud.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Contract Owner/Participant's name (please print)

Contract Owner/Participant's signature | Date

13. PLANS SUBJECT TO SPOUSAL CONSENT WAIVER REQUIREMENTS

Spousal consent to Waiver of Qualified Joint and Survivor Annuity (QJSA): I have read and understand the Special Tax Notice provided to me by the Plan Administrator. I hereby approve of, and consent to, the payment option elected by my spouse as provided above. I understand that under the terms of the Plan, benefits may have to be paid in the form of a Joint and Survivor Annuity, unless I consent to a different form of payment as provided above. I also understand that the effect of my consent may be to have retirement benefits under the Plan paid in a different form. This does not change the current beneficiary designation.

Spouse's signature | Date

☐ **No spouse** (must check here if applicable)

Notary Public/Plan Administrator

Your plan may require the spousal signature to be notarized or witnessed by the plan administrator. Contact your plan administrator if you have questions about this requirement.

Notary Public/Authorized Plan Administrator's signature | Date

14. MANDATORY DISTRIBUTION OPTION (Employer use only)

☐ Check this box if the employer is the contract owner and you, as the Plan Administrator, are forcing out this participant because his/her balance is less than $5,000.00, please read the following and sign below:

- The VESTED benefit of this individual is between $0 and $5,000.
- The participant has not responded to notification of force-out from the plan, distribution form and 402(f) rollover tax notice mailed to him/her and has had at least 30 days (but less than 180) to consider his/her options with respect to this distribution.
- The participant has been notified that he/she will be able to transfer from the Lincoln Small Accounts IRA to another investment provider without cost or penalty.
- As the plan fiduciary I authorize Lincoln Retirement Services Company (LRSC) and Wilmington Trust Company (Wilmington) to establish an automatic IRA with Wilmington as the custodian, funded solely with a group fixed annuity contract issued to Wilmington by The Lincoln National Life Insurance Company on behalf of this participant and to rollover his/her benefit in the plan to a fixed account option in the Lincoln Small Accounts IRA - as soon as administratively possible.
- I have entered into a written agreement with Wilmington as the custodian of the Lincoln Small Accounts IRAs for my plan with respect to mandatory/force out distributions.
- I understand that this request may be held for up to 90 days and processed with other similar automatic IRA rollover requests. I understand that if this request is held, the account balance will remain invested until the actual withdrawal and rollover occurs.

____
Authorized Plan Administrator/Trustee's name (please print)

____ ____________________
Authorized Plan Administrator/Trustee's signature Date

15. PLAN ADMINISTRATOR/TRUSTEE (ERISA Plans - Employer Use Only)

Date of Hire:____________________ Date of Severance:__________________ Date of Retirement:__________________

Years of Service:__________________

Is the employee 100% vested? ☐ Yes ☐ No

If "No" indicate the percentage of the employer funds available for distribution ________%.

If "No" non-vested monies will be deposited to the plan's forfeiture account. Forfeiture account #____________________

If the Plan's forfeiture account is not with Lincoln, please provide the vendor mailing instructions/account # below.

____

____

By signing below, you certify that the employee's request for a distribution including the use of the **SecureLine®** account, unless otherwise selected, is authorized by the Plan Administrator and is in compliance with all provisions of your plan; including a hardship, the distribution is necessary to satisfy the employee's immediate financial need. Refer to the IRS safe harbor elements in Treasury Regulation 1.401(k)-(d)(2) and the plan document if you have questions about allowable hardship distributions. If authorizing a transfer, non-vested monies will be transferred unless otherwise directed.

☐ Do not use **SecureLine®** for the participant; this feature is not permitted by the applicable Plan.

____
Authorized Plan Administrator/Trustee's name (please print)

____ ____________________
Authorized Plan Administrator/Trustee's signature Date

16. PLAN ADMINISTRATOR/TRUSTEE (Non-ERISA Plans or ERISA Plans with contracts excluded under Field Assistance Bulletins 2009-02 and 2010-01 Employer Use Only)

Date of Hire:____________________ Date of Severance:_________________ Date of Retirement:_________________

Years of Service:_________________

Is the employee 100% vested? ☐ Yes ☐ No

If "No" indicate the percentage of the employer funds available for distribution _______%.

If "No" non-vested monies will be deposited to the plan's forfeiture account. Forfeiture account #____________________

If the Plan's forfeiture account is not with Lincoln, please provide the vendor mailing instructions/account # below.

____

____

By signing this form, you, the Plan Administrator are not approving this request, but acknowledging the employee information supplied is accurate to the best of your knowledge and is in compliance with all provisions of your Plan Document.

____

Authorized Plan Administrator/Trustee's name (please print)

____ ______________________

Authorized Plan Administrator/Trustee's signature Date

HOW TO COMPLETE THIS FORM

- If requesting a **General Distribution** (to yourself), complete all sections except 9 *(Section 14 Employer option only)*.
- If requesting a **Rollover**, complete all sections except 6, 7, 10 & 11 *(Section 14 Employer option only)*.
- If requesting a **Plan-to-Plan Transfer**, complete all sections except 4, 6, 7, 10, 11 & 14.
- If requesting a **Transfer**, complete all sections except 4, 6, 7, 10, 11 & 14.
- If requesting a **Contract Exchange**, complete all sections except 4, 6, 7, 10, 11 & 14.
- If requesting **Purchase of Permissive Service Credit** complete all sections except 4, 6, 7, 10, 11 & 14.
- If your contract is subject to ERISA, please have your plan sponsor (employer) complete Section 15.
- If your contract is not subject to ERISA or ERISA contracts are excluded under Field Assistance Bulletins 2009-02 and 2010-01, please have your plan sponsor (employer) complete Section 16. For questions regarding ERISA contracts excluded under FAB 2009-02/2010-01, please contact your employer.
- If your plan requires spousal consent, your spouse must sign Section 13.
- If this request is for a death claim, additional information is required. Please contact your representative or the Customer Service Center at Lincoln.
- When requesting overnight delivery service and providing a billing account for carrier, you must specify a valid billing name and billing address of this account. If information provided is not a valid match, your distribution will be sent via standard mail service.

Mail to:
The Lincoln National Life Insurance Company
Servicing Office - PO Box 2340
Fort Wayne, IN 46801-2340
Telephone Number 800-4LINCOLN (800 454-6265)
Fax Number 260 455-4255
ISC website: www.LincolnFinancial.com

Express Mail: The Lincoln National Life Insurance Company
ES Financial Services
1300 South Clinton Street
Fort Wayne, IN 46802-3506

IF FAXING, do not mail in originals.

Multi-Fund® variable annuity (contract numbers 18829, 18831, 25982, 28645, 30070-B and state variations) and Lincoln Life Group Fixed Annuity (contract numbers 19346, 26378 and state variations) are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc. The contract has limitations and expense charges. **Contractual obligations are backed by the claims-paying ability of The Lincoln National Life Insurance Company.** Not for use in New York.
Some investment options may not be available in all states and your employer may restrict the availability of some investment options. The investment return and principal value of an investment will fluctuate so that when withdrawn from the contract it may be worth more or less than the original cost.
Product and features subject to state availability. Limitations and exclusions may apply.
Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.
Affiliates are separately responsible for their own financial and contractual obligations.

For use with:
Lincoln Multi-Fund® 1-4
Lincoln Multi-Fund® Select
Multi-Fund® Group Variable Annuity
Group Fixed Annuity (New York only product)
Lincoln Life Group Fixed Annuity (Non-New York only product)
Lincoln Life Group Variable Annuity (New York & Non-New York products)

403(b)/401(k) HARDSHIP DISTRIBUTION CHECKLIST - SAFE HARBOR

Contract # Social Security number

You may qualify for a financial hardship distribution under Internal Revenue Service (IRS) regulations. For additional information, please read the following regulations under Final Reg.1.401(k)-I(d)(2). You can access this information on the Internal Revenue Service's website at http://edocket.access.gpo.gov/cfr_2007/aprqtr/26cfr1.401(k)-1.htm.

- A hardship is deemed necessary only if there is an immediate and heavy financial need and no other sources are available to obtain the funds to meet the need.
- Hardship withdrawals are generally limited to the amount of the salary deferral contributions made by the participant. Investment earnings after January 1, 1989 are not included.
- The suspension of elective deferrals is required for a six month period for all plans which administer hardship withdrawals under the safe-harbor option.

The information contained in this checklist is based on Lincoln Financial Group's (Lincoln Financial) current analysis of the Internal Revenue Service (IRS) rules and regulations and should not be construed as legal or tax advice. Lincoln Financial advises that tax or legal counsel be consulted regarding the permissibility of any distribution.

CHECKLIST

All available sources of money must be used before a hardship distribution may be taken. If you answer "No" to any of the following questions, you are not eligible for a hardship distribution. If you answer "Yes" to any of the following questions, you must be able to support your statements with documentation.

- **Is the expense one of the following IRS approved needs?** ☐ **Yes** ☐ **No**

  - Uninsured medical expenses incurred by the participant, the participant's spouse, participant's primary beneficiary or the participant's dependents.
  - Costs directly related to the purchase of a principal residence for the employee (excluding mortgage payments).
  - Payment of tuition, related educational fees, and room & board expenses, for up to the next 12 months of post-secondary education for the employee, the employee's spouse, children, primary beneficiary or dependents
  - Payments to prevent eviction of employee from primary residence or foreclosure on mortgage on primary residence.
  - Payments for burial or funeral expenses for the employee's deceased parent, spouse, children, primary beneficiary or dependents.
  - Expenses for the repair of damage to the employee's principal residence that would qualify for the casualty deduction without regard to whether the loss exceeds 10% of adjusted gross income.

- **Do you have documentation to support your expense?** ☐ **Yes** ☐ **No**

  The amount of the distribution should not exceed the minimum needed to cover the hardship.
  - Copies of medical bills and insurance claim statements for uninsured medical expenses.
  - Copy of purchase agreement of primary residence.
  - Copy of bill for tuition.
  - Copy of the eviction notice.
  - Copy of bill for burial or funeral expenses for your deceased parent, spouse, children or certain dependents.
  - Copy of bill for the damage repair to your principal residence that would qualify.

Non-ERISA 403(b) or ERISA 403(b) contracts excluded under Field Assistance Bulletins 2009-02 and 2010-01 Requirement Only: Supporting documentation validating dollar amount of need must be forwarded to Lincoln Financial Group.

- **Have you obtained all available distributions (other than hardship distributions) and non-taxable loans under all plans maintained by your employer?** ☐ **Yes** ☐ **No**

- **Have you contacted your employer to stop your elective contributions under this plan?** ☐ **Yes** ☐ **No**

- **In order to apply for a hardship distribution, complete the appropriate Distribution Request Form. You must also sign this checklist.**

Non-ERISA Plans (Voluntary Only) or ERISA Plans with contracts excluded under Field Assistance Bulletins 2009-02 and 2010-01: Return this form, the Distribution Request Form and any required documentation to support your financial need to Lincoln Financial Group. For questions regarding ERISA contracts excluded under FAB 2009-02/2010-01, please contact your employer.

ERISA 403(b)/401(k) Plans Only: Return this form, the Distribution Form and any required documentation to support your financial need to your plan sponsor so they may authorize your request before forwarding to Lincoln Financial Group.

You have reviewed the information in this form and the IRS regulations regarding hardship distributions and feel that you meet the requirements and wish to request a hardship distribution.

____
Participant's name (please print)

______________________________ ______________
Participant's signature Date

______________________________ ______________
Plan Administrator/Trustee signature Date

If Non-ERISA (Voluntary Only), or ERISA with contracts excluded under Field Assistance Bulletins 2009-02 and 2010-01, by signing this form you are not approving this request, but acknowledging the employee information supplied above is accurate to the best of your knowledge and is in compliance with all provisions of your Plan Document.

Lincoln Financial Group®

SPECIAL TAX NOTICE REGARDING PLAN PAYMENT FROM NON-ROTH AND DESIGNATED ROTH ACCOUNTS

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from an employer-sponsored retirement plan ("Plan") is eligible to be rolled over to an IRA or 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 that are from a "designated Roth account" (a type of account with special tax rules in some employer plans) and payments from an account that is not a designated Roth account (a "non-Roth account"). If you are only receiving a payment from one of these types of accounts, you need only read the sections of this notice that apply to that type of account. If you are receiving payments from both types of accounts, you should read the sections applicable to both designated Roth and non-Roth accounts. In addition, the Plan administrator or 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?

Non-Roth Account

In General. You will be taxed on a payment from a non-Roth account under 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 59 ½ (or if an exception applies).

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.

Designated Roth Account

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

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

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

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

Where may I roll over the payment?

Non-Roth Account

In General. You may roll over the payment from a non-Roth account 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.

If Your Payment Includes After-Tax Contributions. You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover (60 day rollovers are explained below under "How do I do a 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).

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.

Designated Roth Account

You may roll over the payment from a designated Roth account 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 spouse 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.

Non-Roth Account

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).

Designated Roth Account

<u>If you do a direct rollover</u>, 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 of your designated Roth account.

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

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include 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?

The following rules are the same for both non-Roth and designated Roth accounts.

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA)

The Plan administrator 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?

Non-Roth Account

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.

Designated Roth Account

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

Both Non-Roth Accounts and Designated Roth Accounts

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after 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 (or Roth IRA for payments from a designated Roth account) will the 10% additional income tax apply to early distributions from the IRA?

Non-Roth Account

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).

Designated Roth Account

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

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

Will I owe State income taxes?

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

Are there consequences of failing to defer distributions until retirement?

Saving adequately for retirement is one of the most important decisions you will make during your employment years. For participants that have recently severed employment, (1) electing to leave your account in your former employer's retirement Plan, (2) rolling the account to a Roth IRA, IRA or new employer's plan, or (3) taking the distribution in cash is a decision that should be weighed very carefully in order to meet your long-term savings goals.

Factors you should consider include:

- Generally, if your vested account balance is more than $5,000, you may leave your retirement account with your previous employer's Plan until the later of age 62 or the date you reach the plan's normal retirement age.
- As an investor, with an ultimate goal of saving the maximum for retirement while also managing investment risk, you should review the investment fees and administrative costs associated with your current Plan, any future employer's Plan and various IRAs that are available in the marketplace. Such investment fees and administrative costs may be lower in your employer's plan than you will be able to find elsewhere.
- Electing to take a distribution in cash now may cause you to have insufficient funds to retire. In addition, distributions of non-Roth and earnings from designated Roth accounts are subject to federal income tax and, based on your specific circumstance, and additional 10% tax may apply. You should carefully consider how you will make up these contributions and accumulate adequate earnings in order to retire when you would like.

Additional information regarding payout options:

This notice summarizes the federal tax rules that may apply to your payment. You are encouraged to obtain further information from your Plan administrator describing payout alternatives and expenses specific to your Plan. A Summary Plan Description (SPD), for 401(a), including 401(k), and ERISA 403(b) plans, can also be a valuable resource as you weigh your distribution / rollover options. Investment prospectus(es) or investment profiles are also a valuable source for fee/ expense comparisons. To view information regarding fees and expenses, please visit www.LincolnFinancial.com.

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

Non-Roth Account

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover from 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.

Designated Roth Account

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 59½, 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 from 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

Non-Roth Account

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. The loan offset amount 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.

Designated Roth Account

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 a designated Roth account in an 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. If the lump sum distribution is a nonqualified distribution from a designated Roth account that you do not roll over, these special rules for calculating the amount of the tax would apply to the earnings in the payment. For more information, see IRS Publication 575, Pension and Annuity Income.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term 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 (including nonqualified distributions from a designated Roth account) that are 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

Non-Roth Account

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 (the sections applicable to payments from non-Roth accounts). 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.

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 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.

Designated Roth Account

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 (the sections applicable to payments from designated Roth accounts). 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 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).
>
> If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you

will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited 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 designated Roth account 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 the sections of this notice applicable to designated Roth accounts). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

The following rules are the same for both non-Roth and designated Roth accounts.

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.

If you have a non-Roth account and you roll over your payment to a Roth IRA

You can roll over a payment from a non-Roth account in the Plan that is 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 non-Roth account 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 non-Roth account payment from the Plan to a designated Roth account in an employer plan.

The above rules do not apply to payments from a designated Roth account. See the "Designated Roth Account" section under "Where may I roll over the payment" above for rules applicable to rollovers from a designated Roth account to a Roth IRA.

If you have a non-Roth account and your payment is from a governmental section 457(b) plan

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

If your payment is subject to the mandatory cashout rules

Non-Roth Account

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) may 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).

Not every plan provides for mandatory cashouts. If your Plan does not provide for mandatory cashouts, the above rules will not apply. Some plans may require mandatory rollover of less than $1,000 be directly rolled over to an IRA. For more information about the Plan's cashout rules, check with the Plan administrator and/or refer to the Plan's summary plan description (SPD).

The following applies to non-Roth accounts. The automatic rollover IRA selected by your employer for any mandatory cashouts from the Plan is the Lincoln Small Accounts IRA, which is not available in the state of New York. The Lincoln Small Accounts IRA invests in a fixed annuity contract that is issued by The Lincoln National Life Insurance Company, Fort Wayne, IN on contract form 28866. This contract is held in a custodial account with Wilmington Trust Company, a Delaware-based independent trust company. Wilmington Trust Company is not a member of Lincoln Financial Group. This investment is designed to preserve principal and provide a reasonable rate of return and liquidity. The administrative fee deducted from this account is an annual fee of $30.00 ($7.50 deducted on a quarterly basis). Further information regarding this IRA is available through your Plan administrator.

Designated Roth Account

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

Not every plan provides for mandatory cashouts. If your Plan does not provide for mandatory cashouts, the above rules will not apply. Some plans may require mandatory rollover of less than $1,000 be directly rolled over to a Roth IRA. For more information about the Plan's cashout rules, check with the Plan administrator and/or refer to the Plan's summary plan description (SPD).

The Lincoln Small Accounts IRA is not available for Roth rollovers. Participants will need to check with their Plan administrator and/or refer to the SPD to find out who is the Roth IRA provider.

Other special rules (applicable to both non-Roth and designated Roth accounts)

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 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 may do 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 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 plan 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.