



**Annuity Fund of  
Local No. One, I.A.T.S.E.**  
320 West 46th Street, 6th Floor  
New York, NY 10036  
(212)247-5225

Return your completed application to the Fund Office by:  
Email: FundOffice@fundoneiatse.com  
or  
Fax: 212-247-5227

## **ANNUITY DISTRIBUTION APPLICATION FOR BALANCE GREATER THAN \$5000**

**NOTE: This application must be filled out no more than 90 days prior to the date of your withdrawal.**

### **A. PARTICIPANT INFORMATION**

Participant Name  Social Security Number

Mailing Address  City  State  Zip

Telephone  Birth Date  Date Last Worked

Email Address

Marital Status     Single                                     Married (See Joint & Survivor Annuity Notice)

**Do you have any outstanding loans from the Annuity Fund of Local No. One IATSE?**     Yes\*             No

**\*Please note that any outstanding loans will automatically go into default if, after you take a distribution from the Plan, the amount of your account balance is less than the total balance of all your outstanding loans.**

### **B. AUTHORIZING EVENT FOR WITHDRAWAL (Check only one)**

- DISTRIBUTION WHILE WORKING - I have attained age 59-1/2, and have been a Participant in the Plan for at least two calendar years. I elect to withdraw from my Accumulated Share to the extent permitted. (If we do not have your birth certificate on file, you must submit an original or certified copy.) I understand that the maximum amount I am permitted to withdraw from the Plan, if I have not retired, is my Accumulated Share as of December 31 of the year that is two full calendar years prior to the year in which this application is being filed. If I have not attained age 60, this amount is further limited to contributions made on or after 11/1/2002. The Fund Office will calculate this amount.
- NORMAL RETIREMENT AT AGE 60 - I have attained age 60, I have retired and I elect to withdraw from my Accumulated Share.
- EARLY RETIREMENT AT AGE 55 - I have attained age 55 but have not yet attained age 60 and have 30 years of Pension Service Credit. I have become a pensioner under the Pension Plan of Local No. One, IATSE and I elect to withdraw from my Accumulated Share.
- TERMINATION OF EMPLOYMENT FOR AT LEAST 12 CONSECUTIVE MONTHS - I have ceased employment for all covered Employers for at least 12 consecutive months and I elect to withdraw from my Accumulated Share.
- TEMPORARILY DISABLED - I have become temporarily disabled from engaging in any gainful employment and have not received any wages from any employer for 45 consecutive days. (Special documentation required, please call the Fund Office.)
- CAREGIVER LEAVE - I have ceased employment for a period of 45 or more days to serve as the primary caregiver to an immediate family member(spouse, child or parent) suffering from a life threatening illness or severe disability. (Special documentation required, please call the Fund Office.)
- DISABILITY RETIREMENT - I am totally and permanently disabled and have been approved for a Local One Disability Pension, and I elect to withdraw from my Accumulated Share.
- AGE 70-1/2 - I am 70-1/2 and I elect to withdraw from my Accumulated Share.
- QDRO - Qualified Domestic Relations Order

## **C. EXPLANATION OF BENEFIT PAYMENT FORMS**

Your benefit will be paid in the form of an insurance-company purchased annuity unless you waive the annuity form of payment and elect an optional form. If you are not married your benefit will be paid in the form of a single life annuity, and if you are married your benefit will be paid as a joint and survivor annuity.

An annuity form of payment provides you with monthly payments for your life. Upon your death, if you are receiving payment in the form of a joint and survivor annuity, your spouse will continue to receive a monthly payment for his or her life equal to 50% of the monthly payment you were receiving. This monthly lifetime benefit will be paid through an annuity purchased from an insurance company with your Accumulated Share. The actual amount of the monthly payments will depend on various factors, such as the amount in your account, your age and the age of your spouse if you are married, the insurance company from which the annuity is purchased, and the interest rate in effect at the date of purchase. The enclosed chart, Estimated Annuity Amounts, lists estimates of lifetime monthly payments based on various account balance amounts and ages. For example, the chart indicates that if you are age 55 and your account balance is \$100,000 the estimated amount of your lifetime benefit paid in the form of a single life annuity would be \$589.83 per month, based on the interest rate and mortality table indicated in the chart. If you are married and your spouse is the same age as you are, your estimated lifetime benefit would be \$549.48 per month, and upon your death your spouse would receive \$274.74 per month for his or her life. It is important to note that the enclosed chart is intended to illustrate the approximate value of an insurance-company purchased annuity form of payment so as to allow you to make an informed decision with regard to your benefits under the Annuity Fund. If, based on this information, you would like to know the actual monthly amount of payment in the form of a joint and survivor annuity or single life annuity, please contact the Fund Office and current quotations based on your actual age and account balance will be obtained from an insurance company.

In the event you do not elect an insurance-company purchased annuity form of payment, and your spouse has agreed, your benefits will be distributed in one of the following ways.

1. A total lump sum
2. Partial lump sum payment
3. Payment in installments (not to exceed 20 years)

It is important that you understand your rights and obligations regarding the insurance-company purchased annuity form of payment and any alternative form of payment. You should direct any written questions to Holly Ubilla, Director of Funds Administration, 320 West 46<sup>th</sup> Street 6<sup>th</sup> Floor, New York, New York, 10036 or by phone at 212-247-5225.

### **Relative Values of Benefit Payment Forms**

IRS regulations require that the Fund provide retiring participants information about the relative values of the benefit payment options generally available under the plan. This is to help you make an informed choice about the form in which you receive your retirement benefits. "Relative value" means the actuarial present value of each optional form of payment relative to the value of the annuity form of payment.

In our plan, all of the benefit payment options available to a retiring participant have approximately the same actuarial value as the participant's Accumulated Share. This is true because all annuity options are directly calculated from the amount of the Accumulated Share based on the actual insurance company rates in effect to purchase an annuity. Therefore, the relative values of all optional forms of payment available under our plan are the same and equal to the Accumulated Share.

Relative values are based on comparing the actuarial values of each of the benefit payment options to the actuarial value of annuity payment form. Actuarial values of retirement benefits are determined using mortality and interest assumptions. Mortality assumptions are based on standardized tables developed by actuarial organizations and life insurance companies, which analyze information about large groups of people to project the rates at which groups of individuals at different ages are expected to die. These statistical mortality projections are used to develop "average life expectancies". The interest assumption is an estimate of the likely investment earnings over time on the money put aside to pay the benefits. This is relevant in the determination of actuarial value because investment earnings will provide some of the funds to pay the benefits.

This notice is intended only as a summary of certain provisions of the Plan. In all cases where this notice may be interpreted to conflict with the Plan, the provisions of the Plan document will control.

**Estimated Annuity Amounts**  
**Based on the following assumptions - 5% interest and RP-2000 Male/Female mortality tables**

<b>YOUR AGE</b>	<b>45</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>65</b>
<b>Account Balance</b>	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Monthly amount if paid as a single life annuity	\$50.98	\$54.31	\$58.98	\$65.55	\$74.80
Monthly amount paid while participant is alive as a joint & 50% survivor annuity where beneficiary is same age	\$48.76	\$51.35	\$54.95	\$59.95	\$66.93
Monthly amount paid to surviving spouse after participant dies if paid under 50% survivor annuity	\$24.38	\$25.68	\$27.47	\$29.97	\$33.46

<b>YOUR AGE</b>	<b>45</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>65</b>
<b>Account Balance</b>	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Monthly amount if paid as a single life annuity	\$254.88	\$271.55	\$294.92	\$327.76	\$374.00
Monthly amount paid while participant is alive as a joint & 50% survivor annuity where beneficiary is same age	\$243.78	\$256.77	\$274.74	\$299.74	\$334.67
Monthly amount paid to surviving spouse after participant dies if paid under 50% survivor annuity	\$121.89	\$128.39	\$137.37	\$149.87	\$167.34

<b>YOUR AGE</b>	<b>45</b>	<b>50</b>	<b>55</b>	<b>60</b>	<b>65</b>
<b>Account Balance</b>	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Monthly amount if paid as a single life annuity	\$509.76	\$543.09	\$589.83	\$655.52	\$748.00
Monthly amount paid while participant is alive as a joint & 50% survivor annuity where beneficiary is same age	\$487.57	\$513.53	\$549.48	\$599.48	\$669.34
Monthly amount paid to surviving spouse after participant dies if paid under 50% survivor annuity	\$243.78	\$256.76	\$274.74	\$299.74	\$334.67

**D. TYPE OF WITHDRAWAL ELECTION**

**A LUMP SUM PAYMENT**

Total Account Withdrawal

**OR**

A partial payment in the amount of

**INSTALLMENT PAYMENTS** (The minimum is \$100 for a period of not more than 20 years.)

Monthly     Quarterly     Semi-Annual     Annual    Amount     Total No. of Payments

**AN ANNUITY PURCHASED FROM AN INSURANCE COMPANY**

Married Participant - a 50% joint & survivor annuity     Single Participant - a life annuity

**E. WAIVER OF QUALIFIED INSURANCE COMPANY ANNUITY PURCHASED AS A SINGLE LIFE OR JOINT & SURVIVOR ANNUITY (ALL APPLICANTS MUST COMPLETE THIS SECTION)**

I have received an explanation of the Insurance Company Purchased Annuity form of benefits offered under the Annuity Fund of Local No. One, IATSE (the "Plan") describing the financial effect on me and on my spouse (if any) of my election to decline receipt of benefits in that form. I acknowledge that I have read and understood this explanation and that I believe I have received sufficient information to permit me to make my election.

**I HEREBY DECLINE TO RECEIVE MY BENEFITS UNDER THE PLAN IN THE FORM OF AN INSURANCE COMPANY PURCHASED SINGLE LIFE OR JOINT AND SURVIVOR ANNUITY AS APPLICABLE.** I understand that I may revoke this election at any time prior to the date on which benefits are first paid to me under the plan.

Participant Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name

**F. SPOUSAL CONSENT WAIVER (IF MARRIED, YOUR SPOUSE MUST COMPLETE THIS SECTION)**

I have received an explanation of the Insurance Company Purchased Annuity form of benefits offered under the Annuity Fund of Local No. One, IATSE (the "Plan") describing the financial effect on me and on my spouse (if any) of my election to decline receipt of benefits in that form. I acknowledge that I have read and understood this explanation and that I believe I have received sufficient information to permit me to make my election.

I, \_\_\_\_\_, the lawful spouse of \_\_\_\_\_ (the "Participant"), hereby consent to the election by the Participant to decline coverage under the insurance company purchased Joint & Survivor Annuity form of benefits offered by the Annuity Fund of Local No. One, IATSE and his/her selection of the form of benefit payment set forth in Section D. I understand that if I do not sign this waiver, should the Participant die during my lifetime, I would be entitled to receive a surviving spouse's benefit for the remainder of my life. I have been provided with all information as to the financial effect of my consent and waiver as provided in this consent. I understand fully the consequences of this action on my part, and the loss of benefits that I may experience if I survive the Participant.

I also agree to my spouse's choice of beneficiary as designated in Section I, who will receive the balance of the Accumulated Share in my spouse's Individual Account, if any, on the date of the participants death. I understand that my spouse cannot choose a different beneficiary unless I agree to the change.

I have acknowledged and accepted the Participant's decision to decline coverage under the insurance company purchased Joint & Survivor Annuity form of benefit, and my action is voluntary.

Spouse Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Spouse Name

Authorized Fund Representative Signature \_\_\_\_\_

**THIS SPOUSAL CONSENT WAIVER MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR AUTHORIZED FUND REPRESENTATIVE.**

**NOTE TO NOTARY: Please ensure that the Spouse's name appears in the "before me came" section.**

STATE OF \_\_\_\_\_ :SS.  
COUNTY OF \_\_\_\_\_  
On the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me came \_\_\_\_\_, to me known to be the person whose name is first inscribed above and who executed the foregoing, and acknowledged that \_\_\_\_ he executed the same of h\_\_\_\_ own volition.  
WITNESS my hand the day and year aforesaid.  
\_\_\_\_\_  
Notary Public

**G. DIRECT ROLLOVER ELECTION OR REJECTION (If you have elected installments over a period of 10 or more years, you may skip this section.)**

**Attention: Before completing this form you should read the attached notice titled "Your Rollover Options". You may also wish to consult your tax advisor before making this election.**

Complete this form **only** if you, as the participant or surviving spouse, will receive your benefits from the Annuity Fund of Local No. One, IATSE:

- as a lump sum or partial lump sum,
- in equal monthly installments for a scheduled period of less than 10 years.

Distributions in the form of an annuity or installments for a period of 10 years or longer cannot be rolled over.

The form of payments listed above are eligible rollover distributions. You may elect to have that distribution transferred directly to:

- an individual retirement account described in section 408(a) of the Code,
- an individual retirement annuity described in section 408(b) of the Code,
- an annuity plan described in section 403(a) of the Code,
- an annuity contract described in section 403(b) of the Code,
- an eligible plan under 457(b) of the Code that is maintained by a governmental entity and that agrees to separately account for amounts transferred into such plan, forms this plan,
- a qualified trust described in section 401(a) of the Code, that accepts the distributee's eligible rollover distribution as an "eligible rollover recipient".

You may **NOT ELECT** to have your distribution transferred directly to a SIMPLE IRA or a Coverdell Education Savings Account.

If you choose not to have an eligible rollover distribution transferred directly to an eligible rollover recipient, the Plan is required to withhold 20 percent of the payment for Federal Income Taxes. This withholding does not increase your taxes, but will be credited against any income tax you owe. Further information on direct roll overs and withholding can be found in the notice titled "Your Rollover Options", which is attached to this form.

If your benefit is more than \$500 you may choose to have only part of the distribution directly rolled over, and to have the rest paid to you. Withholding will be taken out of any part that is not directly rolled over. If you want to have only part of your payment directly rolled over, please tell us the amount (at least \$500) that you would like to roll over.

**Check and sign below if you DO NOT want to ROLLOVER YOUR PLAN BENEFITS**

I **do not** want to roll over any of my payments to an eligible rollover recipient. **(YOU MUST SIGN BELOW)**

Participant Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name

**SKIP TO SECTION "H"**

- I **do** want to roll over my **total Annuity balance** directly to an eligible rollover recipient retirement plan that accepts rollovers. The IRA or other retirement plan is named below.
- I **do** want to have **only part of my payment** directly rolled over. Please pay  of my benefit less the 20 percent mandatory withholding for Federal Income Taxes as required by law to me. Please rollover the remaining payments(s) to the IRA or qualified retirement plan named below.
- I want  to be rolled over into an IRA with the balance remaining with the Annuity Fund of Local No. One, IATSE.

**METHOD OF PAYMENT AND DELIVERY:**

A check made payable directly to the Rollover Plan will be mailed to you so that you may deliver it to the Rollover Plan.

Rollover Plan Name:

Rollover Plan Account #

Do you want to receive your check via Express delivery at a cost of \$40?  Yes  No

## H. ELECTION FOR VOLUNTARY FEDERAL AND STATE TAX WITHHOLDING

I understand that the Internal Revenue Code permits me to elect a deduction greater than the mandatory Federal Income Tax withholding rate of 20%. This deduction can be withheld from the benefit payment(s) to be made to me under the Annuity Fund of Local No. One, IATSE.

I further understand that whatever my election, I may still be liable for payment of Federal Income Tax on the taxable portion of such benefit payments. In addition, I understand I could be subject to tax penalties under the estimated tax payment rules if the payment of estimated taxes and withholding are not adequate.

I further understand that the Annuity Fund does not withhold state tax unless I specifically request it on this application.

### FEDERAL TAX WITHHOLDING

I only want to have the 20% mandatory Federal Income Tax withheld from my benefit.

I **do** want to have Federal Income Tax withheld from my benefit in excess of the 20% mandatory withholding amount. The amount below is the total Federal Income Tax that should be withheld from my benefit and is greater than the 20% mandatory withholding amount.

Flat Dollar Amount

Percentage of Amount  %

I want to receive periodic installments from my Annuity Account for a period that exceeds ten years or to roll over to an eligible recipient plan and **do not** want to have Federal Income Tax withheld from my payments.

### STATE TAX WITHHOLDING

**Note:** Connecticut has a 6.99% mandatory withholding tax .

Massachusetts has a 5.05% mandatory withholding tax.

**IF** your State has a mandatory withholding tax and you don't specify below, we will automatically withhold the mandatory State Tax.

I **do not** want any State Income Tax withheld from my benefit.

I **do** want to have State Income Tax withheld from my benefit as follows:

Flat Dollar Amount

Percentage of Amount  %

**I. BENEFICIARY DESIGNATION**

My beneficiary information is currently on file. **(skip to section J.)**

**Participant Name** \_\_\_\_\_

**Social Security Number** \_\_\_\_\_

[PLEASE NOTE that if you are married and wish to designate a beneficiary other than your spouse, you and your spouse MUST sign and execute a notarized waiver form or your designation will not be valid. If your primary beneficiary is not your spouse, by signing this form you hereby swear that you are not married.]

**Primary Beneficiary(ies)**

***I understand that in the event of my death the distribution of any remaining amounts payable under the Annuity Fund of Local No. One, IATSE will be made to the primary beneficiary(ies) designated below.***

Primary Beneficiary Name _____	Beneficiary SSN _____	Relationship _____
Adult Contact (if minor) _____		<b>Percent of Share</b> _____ %
Street Address _____	City _____	State ____ Zip _____

Primary Beneficiary Name _____	Beneficiary SSN _____	Relationship _____
Adult Contact (if minor) _____		<b>Percent of Share</b> _____ %
Street Address _____	City _____	State ____ Zip _____

Primary Beneficiary Name _____	Beneficiary SSN _____	Relationship _____
Adult Contact (if minor) _____		<b>Percent of Share</b> _____ %
Street Address _____	City _____	State ____ Zip _____

**Contingent Beneficiary(ies)**

**Unless otherwise noted, the above beneficiary(ies) who are alive at the time any payments are due will share equally in any such payments. In the event that all of my beneficiary(ies) designated above are not living at the time payments would be due, I hereby designate the following as my contingent beneficiary(ies).**

Contingent Beneficiary Name _____	Beneficiary SSN _____	Relationship _____
Adult Contact(if minor) _____		<b>Percent of Share</b> _____ %
Street Address _____	City _____	State ____ Zip _____

Contingent Beneficiary Name _____	Beneficiary SSN _____	Relationship _____
Adult Contact(if minor) _____		<b>Percent of Share</b> _____ %
Street Address _____	City _____	State ____ Zip _____

Contingent Beneficiary Name _____	Beneficiary SSN _____	Relationship _____
Adult Contact(if minor) _____		<b>Percent of Share</b> _____ %
Street Address _____	City _____	State ____ Zip _____

**Participant Signature** \_\_\_\_\_

**Date** \_\_\_\_\_

**J. METHOD OF PAYMENT TO PARTICIPANT FOR NON-ROLLOVERS**

Check via Regular Mail

Check via Express Delivery at a cost of \$40

Electronic Delivery(ACH)

In the event that Empower is unable to independently validate bank account information, a check will be mailed to the address on record

Bank Name

Bank Routing #

Bank Account #

Type of Account  Checking - attach a voided check

Savings - attach a deposit slip

**K. CERTIFICATION OF APPLICATION FOR ANNUITY FUND BENEFITS**

**By signing this application, I hereby swear that all statements and information provided by me in this entire application are true. I hereby revoke any prior election made by me with respect to my Annuity benefits under the Plan.**

**PLEASE NOTE: THIS DOCUMENT MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR AUTHORIZED FUND REPRESENTATIVE.**

Participant Signature \_\_\_\_\_

Date \_\_\_\_\_

Print Name

Authorized Fund Representative Signature \_\_\_\_\_

**PLEASE NOTE: If you are not returning this form in person, it must be notarized below**

STATE OF \_\_\_\_\_

:SS.

COUNTY OF \_\_\_\_\_

On the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me came \_\_\_\_\_, to me known to be the person whose name is first inscribed above and who executed the foregoing, and acknowledged that \_\_\_he executed the same of h\_\_\_ own volition.

WITNESS my hand the day and year aforesaid.

Notary Public \_\_\_\_\_



**Local No. One, I.A.T.S.E. Annuity Fund**  
**YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the Local No. One, I.A.T.S.E. Annuity Fund (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice describes the rollover rules that apply to payments from the Plan and is intended to help you decide whether to do such a rollover.

Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

**GENERAL INFORMATION ABOUT ROLLOVERS**

**How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

**What types of retirement accounts and plans accept my rollover?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that receives the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

**How do I do a rollover?**

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, 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. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you

do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

### **How much may I roll over?**

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 72 (or after death)
- Hardship distributions
- 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)

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

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

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

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- 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 made for certain distributions relating to certain federally declared disasters

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

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, 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:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

## **Will I owe State income taxes?**

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

## **SPECIAL RULES AND OPTIONS**

### **If 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any

portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

### **If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

### **If you roll over your payment to a Roth IRA**

If you roll over the payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over 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).

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-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

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

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

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does 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 72.

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 72.

**If you are a surviving beneficiary other than a spouse.** If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options and the same tax treatment that 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). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

### **If you are a nonresident alien**

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

## **Other special rules**

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

If your payments for the year are less than \$200, 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 on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, Armed Forces' Tax Guide. You may also have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at [www.irs.gov](http://www.irs.gov).

### **FOR MORE INFORMATION**

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

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