

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This Special Tax Notice Applies to Distributions from Section 401(a) Plans, Section 403(a) Annuity Plans, Section 403(b) Tax Sheltered Annuities and Section 457 Governmental Plans

This notice contains important information you will need before you decide how to receive Plan benefits. It explains when and how you can continue to defer federal income tax on your retirement savings when you receive a distribution.

This notice is provided to you because all or part of the payment that you will soon receive from one or more plans in which you participate may be eligible for rollover by you or your Plan Administrator to a Traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment(s) cannot be rolled over to a Roth IRA (except as described under Number 2 and Number 5 below), a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

Although the information in this notice generally applies to most plan distributions, some distinctive rules relate to distributions from governmental 457 plans. For more information on unique rules applicable to these plans, see the section "Additional Information for Governmental 457 Plans." This notice does not address distributions from 457(b) plans maintained by tax-exempt employers or 457(f) plans because distributions from such plans are not eligible for rollover.

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a Traditional IRA or split your rollover amount between the employer plan in which you will participate and a Traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator.

1. General Summary	<p>There are two ways you may be able to receive a Plan payment that is eligible for rollover:</p> <ol style="list-style-type: none"> (1) Certain payments can be made directly to a Traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or (2) The payment can be PAID TO YOU. <p>If you choose a <u>DIRECT ROLLOVER</u>:</p> <ul style="list-style-type: none"> • Your payment will not be taxed in the current year and no income tax will be withheld. • You choose whether your payment will be made directly to your Traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA (except as described under Number 2 and 5 below), a SIMPLE IRA, or a Coverdell Education Savings Account because these are not Traditional IRAs. • The taxable portion of your payment will be taxed later when you take it out of the Traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan. <p>If you choose to have a Plan payment that is eligible for rollover <u>PAID TO YOU</u>:</p> <ul style="list-style-type: none"> • You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes. • The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax. • You can roll over all or part of the payment by paying it to your Traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the Traditional IRA or the eligible employer plan. • If you want to roll over 100% of the payment to a Traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over. • If your distribution includes designated Roth 401(k) or 403(b) contributions, special rules apply, which are described under Number 5 below. <p><u>Your Right To Waive the 30-Day Notice Period.</u> Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a DIRECT ROLLOVER. Your withdrawal will then be processed in accordance with your election as soon as practical after the Plan Administrator receives it.</p> <p><u>Your Failure to Make an Election:</u> Generally, if your vested account balance is \$1,000 or less and your payment from the Plan is eligible for roll over, if you do not complete and submit a distribution election form to the Plan Administrator on a timely basis, your benefit will be automatically paid to you in a lump sum. If your vested account balance is between \$1,000.01 and \$5,000, your benefit will be rolled over to an IRA at a financial institution selected by the Plan Administrator. If this applies to you, the plan administrator will provide you with an Automatic Rollover Notice explaining the rules.</p>
2. Payments That Can and Cannot Be Rolled Over	<p>Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a Traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA (except as described under Number 5 below), a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.</p> <p><u>After-tax Contributions</u> If you made after-tax contributions to the Plan, these contributions may be rolled into either a Traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:</p> <ol style="list-style-type: none"> a. <u>Rollover into a Traditional IRA.</u> You can roll over your after-tax contributions to a Traditional IRA either directly or indirectly. Your plan administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion. You cannot roll these after-tax amounts into a Roth IRA. If you roll over after-tax contributions to a Traditional IRA, it is your responsibility to keep track of, and report to the IRS on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the Traditional IRA to be determined. <p style="text-align: center;">Once you roll over your after-tax contributions to a Traditional IRA, those amounts CANNOT later be rolled over to an employer plan.</p>

	<p>b. Rollover into an Employer Plan. You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a DIRECT ROLLOVER if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can also roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a DIRECT ROLLOVER if the other tax sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You CANNOT roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a DIRECT ROLLOVER on your behalf. Also, you cannot first roll over after-tax contributions to a Traditional IRA and then roll over that amount into an employer plan.</p> <p>The following types of payments <u>cannot</u> be rolled over:</p> <p>Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) installment payments that are made at least once a year and that will last for:</p> <ul style="list-style-type: none"> • Your lifetime (or a period measured by your life expectancy), or • Your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or • A period of 10 years or more. <p>Required Minimum Payments. Beginning when you reach age 70½ or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you. Special rules apply if you own more than 5% of your employer.</p> <p>Hardship Distributions. A hardship distribution cannot be rolled over.</p> <p>90-Day Permissible Withdrawals. If you are automatically enrolled in this Plan and it permits these withdrawals, if you request a withdrawal within 90 days of the date the first contributions are withheld from your pay, the withdrawal cannot be rolled over.</p> <p>ESOP Dividends. Cash dividends paid to you on employer stock held in an employee stock ownership plan cannot be rolled over.</p> <p>Corrective Distributions. A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.</p> <p>Loans Treated as Distributions. The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan-offset amount is eligible for rollover, as discussed in Number 4 below. Ask the Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment.</p>
<p>3. Direct Rollover</p>	<p>The Plan Administrator of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.</p> <p>A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a Traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Number 2 above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the Traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200. If a portion of your payment is from a designated Roth 401(k) or 403(b) account (as described under Number 5 below), the Plan may treat the Roth account portion of your payment as a separate distribution for purposes of the \$200 rule to determine amounts that are not rollover eligible.</p> <p>Other special rules apply if your distribution includes designated Roth contributions in a 401(k) or 403(b) plan. Refer to Number 5 below for a discussion of the tax rules that apply to such accumulations.</p> <p>Direct Rollover to a Traditional IRA You can open a Traditional IRA to receive the DIRECT ROLLOVER. If you choose to have your payment made directly to a Traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a DIRECT ROLLOVER to a Traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a Traditional IRA to receive the payment. However, in choosing a Traditional IRA, you may wish to make sure that the Traditional IRA you choose will allow you to move all or a part of your payment to another Traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on Traditional IRAs (including limits on how often you can roll over between IRAs).</p> <p>Direct Rollover to a Roth IRA You can open a Roth IRA to receive the DIRECT ROLLOVER of designated Roth contributions from a qualified retirement plan as discussed under Number 5 below. You may also open a Roth IRA to receive the DIRECT ROLLOVER of non-designated Roth contributions from a qualified retirement plan if, for the tax year of the distribution, both of the following requirements are met:</p> <ul style="list-style-type: none"> • Your modified adjusted gross income for Roth IRA purposes (explained in chapter 2 of Publication 590) is not more than \$100,000 • You are not a married individual filing a separate return. <p>You must include in your gross income distributions from a qualified retirement plan that you would have had to include in income if you had not rolled them over into a Roth IRA (you may elect voluntary withholding on this amount). You do not include in gross income any part of a distribution from a qualified retirement plan that is a return of contributions paid. Any amount rolled over to a Roth IRA is subject to the same rules for converting a traditional IRA into a Roth IRA.</p> <p>If you choose to have your payment made directly to a Roth IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a DIRECT ROLLOVER to a Roth IRA at that institution. See IRS Publication 590, Individual Retirement Arrangements, for more information on Roth IRAs (including the conversation rules).</p> <p>Direct Rollover to a Plan If you are employed by a new employer that has an eligible employer plan, and you want a DIRECT ROLLOVER to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a Traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.</p> <p>Direct Rollover of a Series of Payments If you receive a payment that can be rolled over to a Traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.</p> <p>Change in Tax Treatment Resulting from a Direct Rollover (see "Additional Information for Governmental 457 Plans" for applicable rules) The tax treatment of any payment from the eligible employer plan or Traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered</p>

<p>4. Payment Paid to You</p>	<p>annuity, a governmental 457 plan, or a DIRECT ROLLOVER to a Traditional IRA, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are under Age 59½" and "Special Tax Treatment if You Were Born before January 1, 1936."</p> <p>If your payment can be rolled over (see Number 2 above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a Traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.</p> <p>Special rules apply if your distribution includes designated Roth contributions in a 401(k) or 403(b) plan. Refer to Number 5 below for a discussion of the tax rules that apply to such accumulations.</p> <p>Income Tax Withholding</p> <p>Mandatory Withholding. If any portion of your payment can be rolled over under Number 2 above, and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000, only \$8,000 will be paid to you because the Plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from the Plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200. If a portion of your payment is from designated Roth contributions in a 401(k) or 403(b) account (as described under Number 5 below), the Plan may treat the Roth account portion of your payment as a separate distribution when applying this \$200 threshold.</p> <p>Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Number 2 above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form.</p> <p>Additionally, if you elect not to have federal income tax withheld, you are liable for payment of federal income tax on the taxable portion of your payment. You also may be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate.</p> <p>Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Number 2 above, you can still decide to roll over all or part of it to a Traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, <u>you must contribute the amount of the payment you received to a Traditional IRA or eligible employer plan within 60 days after you receive the payment.</u> The portion of your payment that is rolled over will not be taxed until you take it out of the Traditional IRA or the eligible employer plan.</p> <p>You can roll over up to 100% of your payment that can be rolled over under Number 2 above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the Traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.</p> <p><i>Example: The taxable portion of your payment that can be rolled over under Number 2 above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a Traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the Traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.</i></p> <p><i>If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000.)</i></p> <p>Special rules apply if your distribution includes designated Roth contributions to a 401(k) or 403(b) plan. Refer to Number 5 below for a discussion of the tax rules that apply to such accumulations.</p> <p>Additional 10% Tax if You Are under Age 59½ (see "Additional Information for Governmental 457 Plans" for applicable rules). If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order (or state domestic relations order generally applicable to governmental or church plans), or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.</p> <p>The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a Traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.</p> <p>Special Tax Treatment If You Were Born before January 1, 1936 (not applicable to Governmental 457 Plans). If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Number 2 and you do not roll it over to a Traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. (See also "Employer Stock or Securities," below.) A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.</p> <ul style="list-style-type: none"> • Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe. • Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre- 1974 participation in the Plan taxed as long-term capital gain at a rate of 20%. There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a Traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a Traditional IRA, governmental 457 plan, or 403(b) tax-
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	<p>sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.</p> <ul style="list-style-type: none"> • Employer Stock or Securities. There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, 1) the payment must qualify as a lump sum distribution, as described above, except that you do not need five years of plan participation, or 2) the employer stock included in the payment must be attributable to "after-tax" employee contributions, if any. Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth \$1,000 but the stock was worth \$1,200 when you received it, you would not have to pay tax on the \$200 increase in value until you later sold the stock. <p>You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to a Traditional IRA or another eligible employer plan, either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a Traditional IRA or another eligible employer plan.</p> <p>If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.</p> <p>If you receive employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.</p> <p>Special rules apply if your distribution includes designated Roth contributions to a 401(k) or 403(b) plan. Refer to Number 5 below for a discussion of the tax rules that apply to such accumulations.</p>
<p>5. Special Rules for Designated Roth Contributions to 401(k) and 403(b) Accounts</p>	<p><u>Direct Rollover of Designated Roth Contributions to a Roth IRA</u> Designated Roth contributions to 401(k) and 403(b) plans and the earnings attributable to them can be rolled over to a Roth IRA. However, once rolled to a Roth IRA, you CANNOT subsequently roll your designated Roth contributions to an employer plan, even if the plan accepts designated Roth contributions.</p> <p>In the case of a rollover from a designated Roth account under a 401(k) or 403(b) plan to a Roth IRA, the period that the rolled-over funds were in the designated Roth 401(k) or 403(b) account does not count towards the 5-year period for determining qualified distributions from the Roth IRA. However, if you established a Roth IRA in a prior year, the 5-year period for determining qualified distributions from a Roth IRA that began as a result of your earlier Roth IRA contribution applies to any distributions from the Roth IRA (including a distribution of an amount attributable to a rollover contribution from a designated Roth contribution account).</p> <p><u>Direct Rollover to Another Employer Plan</u> Designated Roth contributions to a 401(k) and 403(b) plan and the earnings attributable to them can be rolled over to another employer plan that accepts direct rollovers of designated Roth contributions. This means that a Roth 401(k) account can be directly rolled over to another Roth 401(k) plan, a Roth 403(b) plan, or another 401(a) plan, including a defined benefit plan, which accepts the rollover and provides separate accounting for the Roth amounts and related earnings that are rolled over. Similarly, a Roth 403(b) account can be directly rolled over to another Roth 403(b) plan or a Roth 401(k) plan. Your period of participation under the distributing plan is carried over to the recipient plan for purposes of determining whether you satisfy the 5-year requirement for determining qualified distributions under the recipient plan.</p> <p><u>"Qualified Distributions"</u> If you have made designated Roth contributions to a 401(k) or 403(b) plan, the amounts (both contributions and earnings) held in your designated Roth contribution account may be distributed tax-free if it is a "qualified distribution". A "qualified distribution" is a distribution that is made after at least five years have elapsed from the start of the year during which you made your first Roth contribution to the plan and meets one of the following requirements. The distribution must be made:</p> <ul style="list-style-type: none"> (i) after you attain age 59½; (ii) to your beneficiary after your death; or (iii) on account of your disability. <p>If the distribution is not a qualified distribution, you will be taxed on any earnings in your Roth contribution account. Because your designated Roth contributions to the plan were made on an after-tax basis, you will receive a tax-free return of your designated Roth contributions.</p> <p>However, distributions of the following amounts are never qualified distributions, are not eligible for rollover, and the earnings are includible in taxable income:</p> <ul style="list-style-type: none"> • Corrective distributions (as discussed under Number 2 above). • Taxable deemed distributions of participant loan defaults (as discussed under Number 2 above). <p>A lump sum designated Roth "qualified distribution" of employer stock or securities is tax-free, and the stock or securities take a fair market value adjusted basis. In the case of a lump sum designated Roth "nonqualified distribution", the ordinary rules explained under Number 4 above would apply.</p> <p><u>Sixty-Day Rollover Option</u> If you receive a distribution from a designated Roth 401(k) or 403(b) account, you may roll over the entire amount (or any portion thereof) into a Roth IRA within 60 days of receipt. If only a portion of the distribution is rolled over, the portion that is rolled over is treated as consisting first of the amount of the distribution that would otherwise be taxable income.</p> <p>Alternatively, you may roll over the otherwise taxable portion of the distribution to a designated Roth 401(k) or 403(b) plan within 60 days of receipt. In addition, your period of participation under the distributing plan is not carried over to the recipient plan for purposes of determining whether you satisfy the 5-year requirement under the recipient plan.</p> <p><i>Example: An employee receives a \$14,000 eligible rollover distribution that is not a qualified distribution from his designated Roth account, consisting of \$11,000 of designated Roth contributions and \$3,000 of taxable earnings. Within 60 days of receipt, the employee rolls over \$7,000 of the distribution into a Roth IRA. The \$7,000 is deemed to consist of \$3,000 of earnings and \$4,000 of after-tax contributions. Because the only portion of the distribution that could be includible in taxable income (the earnings) is rolled over, none of the distribution is includible in the employee's taxable income in the year of distribution.</i></p> <p><u>Basis Recovery Rules for Roth Payments that are Not "Qualified Distributions"</u> If you receive a partial distribution that is not a qualified distribution (i.e., one that does not meet the "qualified distribution" definition above) from your designated Roth account in a 401(k) or 403(b) plan, the portion of the distribution attributable to your after-tax designated Roth contributions will be recovered tax-free. The non-taxable portion is determined by multiplying the amount of your distribution by the ratio of your cumulative designated Roth contributions divided by your designated Roth account balance.</p> <p><i>Example: If a distribution that is not qualified of \$5,000 is made from an employee's designated Roth account when the account consists of \$9,400 of designated Roth contributions and \$600 of earnings, the distribution consists of \$4,700 of after-tax designated Roth contributions and \$300 of taxable earnings.</i></p>

6. Repayment of Plan Loans	<p>If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a Traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.</p>
7. Surviving Spouses, Alternate Payees, and Other Beneficiaries	<p>In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order" (or a state domestic relations order applicable to certain governmental or church plans), which is an order issued by a court, usually in connection with a divorce or legal separation.</p> <p>If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Number 2 above, paid in a DIRECT ROLLOVER to a Traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a Traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.</p> <p>If you are a beneficiary other than a surviving spouse or an alternate payee, the Plan may permit you to choose to have a payment that can be rolled over, as described in Part 1 above, paid in a Direct Rollover to a Traditional IRA or have the benefit paid to you. You may not roll over the payment that is made directly to you, nor may you choose to roll over the payment to an eligible employer plan. The IRA accepting the transfer is treated like a non-spouse Inherited IRA, under which benefits must be distributed in accordance with the required minimum distribution rules. In general, distributions from the Inherited IRA must either be paid to you in full within 5 years of the employee's death or must commence within 12 months of the employee's death and be paid over your life expectancy. The benefits cannot be rolled over from the Inherited IRA to any other IRA.</p> <p>As explained above, surviving spouses and alternate payees have the same choices as the employee. However, unlike surviving spouses and alternate payees, non-spouse beneficiaries do not have the same choices as the employee. Because of this difference, the mandatory withholding rules described in Number 4 above, that typically apply to payments that are not rolled over, do not apply to payments made to non-spouse designated beneficiaries.</p> <p>If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Number 4 above, even if you are younger than age 59½.</p> <p>All Plans Except Governmental 457 Plans. If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Number 4 above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.</p> <p>Governmental 457 Plans. If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Number 4 above, even if you are younger than age 59½.</p>
8. Additional Information for Governmental 457 Plans	<p>Unforeseeable Emergency Distributions A distribution on account of an unforeseeable emergency cannot be rolled over. An unforeseeable emergency is limited to a severe financial hardship resulting from a sudden and unexpected illness or accident or a loss of property due to casualty or similar extraordinary and unforeseeable circumstances. Such events must result from circumstances beyond your control. For example, an unforeseeable emergency must cause a hardship that cannot be relieved through reimbursement or compensation by insurance, liquidation of assets (unless such liquidation would cause a severe financial hardship), or a cessation of all contributions to the 457 plan. Payment of college expenses or purchase of a home does not qualify as an unforeseeable emergency.</p> <p>Distributions of Excess Contributions A distribution that is made because legal limits on certain contributions were exceeded cannot be rolled over.</p> <p>Direct Rollover</p> <p>Change in Tax Treatment Resulting from a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or Traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the governmental 457 plan. See the "Additional 10% Tax May Apply to Certain Distributions."</p> <p>Additional 10% Tax May Apply to Certain Distributions. Distributions from the governmental 457(b) plan are generally not subject to the additional 10% tax that applies to pre-age-59½ distributions from other types of plans. However, any distribution from such plan that is attributable to an amount you rolled over to the Plan (adjusted for investment returns) from another type of eligible employer plan or IRA amount is subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless an exception applies.</p> <p>Exceptions to the additional 10% tax generally include (1) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (2) payments that are paid from an eligible employer plan after you separate from service with your employer during or after the year you reach age 55, (3) payments that are paid because you retire due to disability, (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. These exceptions may be different for distributions from a Traditional IRA. See IRS Form 5329 for more information on the additional 10% tax.</p> <p>The additional 10% tax does not apply to distributions from the Plan or any other governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to the governmental 457 plan (adjusted for investment returns) from another type of eligible employer plan or IRA.</p> <p>In addition, any amount rolled over from the Plan to another type of eligible employer plan or to a Traditional IRA will be subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless an exception applies.</p>
9. State or Local Income Tax	<p>Please note that state or local income tax is withheld only for those states where such withholding is mandatory. If you reside in a state that has a state income tax, and the state does not have a mandatory withholding rule, you will be responsible for any state income taxes due on the taxable portion of your distribution. You should also be aware that some states have not yet changed their laws to take into account the expanded rollover rules that became effective January 1, 2002. In certain cases, a rollover now permitted under federal law may be subject to taxation under state law. However, once the rollover is taxed under state law, the state would not tax this amount again when later you receive it as a distribution.</p>
10. How to Obtain Additional Information	<p>The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.</p>