ING

Death Claim

401(a)/403(b) ERISA
401/403(b) Non-ERISA
Deferred Compensation

Please refer to attached instructions

ING Life Insurance and Annuity Company
151 Farmington Avenue
Hartford, CT 06156-1277

Telephone: 1-800-262-3862

ING Life Insurance and Annuity Company will be defined as "the Company", "ILIAC", "we", "us", or "our" in this document. Please refer to attached instructions.

All death claims must be accompanied by an original or certified copy of the Death Certificate unless the Trustee or Named Fiduciary for a 401 Corporate Market Plan certifies the Participant's death.

Participant Information

Please print. If any pre-filled information is incorrect, please make the appropriate changes, and initial and date each change.

Account Number(s) *(15-digit Account Number as shown on Access Report)*	Date of Birth *(mm/dd/yyyy)*
Plan Name	Billing Group No.
Name of Deceased *(Last, First, Middle Initial)*	
Date of Death *(mm/dd/yyyy)*	Deceased Social Security No.

Beneficiary Information

Please print.

If you have a PO Box, U.S. Tax laws require a street address to be indicated. If provided, distribution checks will be mailed to PO Box indicated unless different instructions are provided in the Payment & Mailing section.

Complete one form for each beneficiary to be paid from the indicated account numbers.

Beneficiary Name *(Last, First, Middle Initial)*		
Beneficiary Relationship	Beneficiary Social Security No.	
MANDATORY - Beneficiary Resident Address *(No. & Street)*	PO Box *(optional)*	
City/Town	State	Zip Code
Email Address		
Work Telephone No. ( ) Extension	Home Telephone No. ( )	

Percent of Benefit Payment you are entitled to: __________ %

Non-Resident Tax Information

- This information must be completed if resident address is outside the United States and distribution is being made from a 403(b), 401 or governmental 457 Plan.

CHECK ONE BOX ONLY and complete information, if applicable.

☐ **I am a citizen of the United States living in a Foreign Country**
If you are a U. S. Citizen, your withdrawal is subject to withholding rules for U. S. Citizens *(see the Non-Resident Tax Information section in the instructions for this form)* with this exception: You are not able to elect 'out' of withholding.

☐ **I am not a United States Citizen. My country of legal residence is ____________________.**
If you are not a U. S. Citizen, your withdrawal is subject to withholding provisions for Non-Resident Aliens. You must complete, sign, date, and return to us the IRS Substitute Form W-8BEN, *"Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding."* If you do not have a U. S. Social Security Number, you must apply *(IRS Form W-7)* for and receive an Individual Taxpayer Identification Number (ITIN) from the IRS.

Type of 457 Plan

(This section must be completed if claim is being made from a deferred compensation plan.)

SELECT ONE:

☐ governmental 457(b) - *Distributions processed from governmental 457 Plans will be taxed in accordance with the information provided in the attached Special Tax Notice and instructions found in the Tax Withholding Substitute W-4P Section of this form.*

☐ non profit - *All distributions processed from non profit Plans will be taxed using the information provided in the "For Payments to Employees Federal Income Tax Withholding Notice" Section of this form.*

☐ corporate non-qualified deferred compensation - *All distributions processed from corporate non-qualified deferred compensation Plans will be taxed using the information provided in the "For Payments to Employees Federal Income Tax Withholding Notice" Section of this form.*

☐ non-profit 457(f) - *all distributions processed from non-profit 457(f) plans will be made payable to employer. ILIAC will not complete any withholding calculations or tax reporting.*

Type of Withdrawal

Note: Direct rollovers are only allowed from governmental 457(b), 403(b) or 401 Plans.

If Spouse,

- ☐ Spousal Continuation if permitted by your Plan _______________ (% or $)
- ☐ Direct Rollover to an ILIAC IRA _______________ (% or $)
- ☐ Direct Rollover to a non-ILIAC IRA ***(Letter of Acceptance required)*** _______________ (% or $)
- ☐ Direct Rollover to ILIAC 403(b), 401 or governmental 457 plan _______________ (% or $)
- ☐ Direct Rollover to non-ILIAC 403(b), 401 or governmental 457 plan ***(Letter of Acceptance required)*** _______________ (% or $)
- ☐ 90-24 Transfer to non-ILIAC 403(b) plan ***(Letter of Acceptance required)*** _______________ (% or $)
- ☐ Cash withdrawal payable to Beneficiary _______________ (% or $)

If Non-Spousal *(including Trust Beneficiaries)*

- ☐ Cash withdrawal payable to non-minor Beneficiary _______________ (% or $)
- ☐ Cash withdrawal payable to minor Beneficiary ***(Guardianship papers are required)*** _______________ (% or $)
- ☐ Cash withdrawal payable to employer ***(Non-profit 457(f) only)*** _______________ (% or $)

If Estate, only this option is available

- ☐ Payable to Estate _______________ (% or $)

Payment and Mailing Information

Check one only. If not indicated check will be made payable to and mailed to the Beneficiary.

Default – Check mailed to Beneficiary Resident Address noted above.

Not applicable if Spousal Continuation elected.

- ☐ Mail to Beneficiary *(as indicated in Beneficiary Information section)*
- ☐ Mail to Trustee
- ☐ Mail to Other Carrier
- ☐ Rollover/Transfer to ING Product
- ☐ Mail to Contract Holder/Employer *(Note: This is the only option available if this is a 457(f) Plan)*

Make Check Payable to:		New Account No.
Send Check to:		
Address *(No. & Street / PO Box)*		
City/Town	State	Zip Code

Electronic Deposit to U. S. Bank Accounts Only

(Optional)

If you would like us to electronically deposit your withdrawal amount to your bank, please provide your bank's name, complete address, ABA routing number, and your bank account number. *(Please verify the correct ABA routing number with your bank.)* We will not deposit to a third party account. If the electronic deposit cannot be completed using the information provided, we will issue and mail a check to the Beneficiary. This is not a wire transaction.

Please indicate whether this is a ☐ Checking or ☐ Savings Account

Please print.

Account Holder(s) *(as it is registered at your bank)*		
Bank Name		Bank Telephone No.
Bank Address *(No. & Street)*		
City/Town	State	Zip Code
ABA Routing No. *(9 digits)*	Bank Account No.	

Tax Withholding (Substitute W-4P) *Complete only if U. S. Resident Address and the check is payable to Beneficiary and distribution is being made from 403 (b), 401 or governmental 457(b) Plan.* *Distributions made payable to beneficiaries from non-qualified, and non-profit 457(b) Plans will be reduced by 10% withholding and reported on a form 1099.*	**Surviving Spouse or Former Spouse who is an Alternate Payee** - If the withdrawal is to be made to you *(and not directly rolled over to a traditional IRA)*, we are required by law to withhold 20% Federal Income Tax Withholding from that amount and send it to the Internal Revenue Service (IRS). You will report the tax withheld on your IRS Form 1040, and it will be credited against any Federal Income Tax you owe for the year. The withdrawal is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA. **If you are a Beneficiary other than the Surviving Spouse, or an Estate** – If payment is made payable to an individual, 10% Federal Income Tax Withholding will automatically apply unless you elect to have no Federal Income Tax withheld. If payment is made to a non-individual, such as a Trust or Estate, 10% Federal Income Tax Withholding is mandatory. If you are a Surviving Spouse, an Alternate Payee, or another Beneficiary, your withdrawal is not subject to the additional 10% premature Federal Income Tax described in the Special Tax Notice, and you may be eligible to use the special tax treatment for lump-sum distributions. Even if you decide not to have Federal/State Income Tax Withheld, you are still liable for payment of Federal/State Income Tax on the taxable portion of this payment. You may be subject to tax penalties under the Estimated Tax Payment Rules if your payments of estimated tax and withholding, if any, are not sufficient to cover your tax liability. **Federal Withholding** If any part of this payment is exempt from the 20% mandatory Federal Income Tax Withholding: ❑ I want Federal Income Tax Withheld from this payment of 10% ❑ I do not want Federal Income Tax withheld from this payment *(available only for payments to an individual)*. **DEFAULT: If no election is made, 10% Federal Income Tax Withholding will occur.** **State Withholding** *(please refer to the State Income Tax Withholding Notification page of this form)* My residence state for tax purposes is: _________________ *(please complete the attached State Income Tax Withholding Notification form if applicable)* If any part of this payment is exempt from mandatory State Income Tax Withholding: ❑ I want State Income Tax withheld from this payment *(please complete and submit your state of residence's applicable State Income Tax Withholding Form)*. ❑ I do not want State Income Tax withheld from this payment. **DEFAULT: If no election is made, State Income Tax Withholding will occur, if applicable.**
Anti-Fraud Statement	Certain states require the following statement: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison. For Contracts issued in California: For your protection California law requires the following to appear on this form. Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison. For Contracts issued in Florida: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree. For Contracts issued in New Jersey: Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties. For Contract issued in Pennsylvania: 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.

Authorized Signatures and Certification

Employer, Trustee, or Named Fiduciary's Authorized Signature and Certification is required for all ERISA plans and employer controlled plans unless there is a separate ILIAC agreement

I certify that:

a) the information stated on this form is correct and complete;
b) the social security number shown on this form is my correct taxpayer identification number and the correct taxpayer identification number for the deceased and that I am not subject to back-up withholding; and
c) if the Beneficiary's signature has been obtained in a separate document, the Beneficiary has received from the Trustee or Named Fiduciary the Special Tax Notice regarding application of Federal Income Tax Withholding to certain Plan payments; the Beneficiary's withholding elections for State and Federal Income Tax purposes, where applicable, have been obtained in a separate document along with the IRS Form Substitute W-9.

I further understand that the Company may rely conclusively on these certifications in processing the requested benefits above and that, in the case of any conflicting information, the Company is entitled to rely exclusively on the information contained in this withdrawal request.

I certify that I have received and read the Special Tax Notice section and waive the 30-day notice requirement by making the election indicated in the Type of Withdrawal section of the form. I also certify that if the Employer's signature does not appear on this ILIAC Withdrawal Form, such signature has been obtained in a separate document to the extent required under applicable law in any governing plan document.

I understand that ING Life Insurance and Annuity Company reserves the right to directly or through a third party recover any payments made in excess of amounts to which I am entitled under the terms of the Contract, regardless of the method of payment.

Beneficiary's Signature	Date *(mm/dd/yyyy)*

Employer's Signature (*if applicable*)	Date *(mm/dd/yyyy)*

ING

State Income Tax Withholding Notification

401, 403(b), 408 and Governmental 457 Plan Distribution

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Notification

If you are a resident of California, Iowa, Kansas, Maine, Massachusetts, North Carolina, Oklahoma, Oregon, Vermont, or Virginia*, your state requires State Income Tax Withholding on the taxable portion of your distribution from your 401, 403(b), 408 Individual Retirement or Governmental 457 Plan. This State Income Tax Withholding is in addition to the mandatory 20% *(or, in some cases, elected 10%)* Federal Income Tax Withholding. Please note, when a state cost basis differs from Federal, the Federal cost basis will be used in determining taxability for State Income Tax Withholding purposes.

- If you are a resident of **California** or **Oregon**, State Income Tax Withholding will be calculated according to the **State Withholding Table** *(below)* for your state **unless** you complete the bottom portion of this form indicating your election "out" of State Income Tax Withholding, and return it to us with, and to the same Hartford Service Center location as, your Withdrawal Request.
- If you are a resident of **Iowa**, **Kansas**, **Maine**, **Massachusetts**, **Oklahoma**, or **Vermont**, State Income Tax Withholding will be automatically calculated according to the **State Withholding Table** *(below)* for your state. These states do not allow an election "out" of State Income Tax Withholding when Federal Income Tax Withholding applies.
- If you are a resident of **North Carolina** or **Virginia***, State Income Tax Withholding will be calculated automatically **unless** you meet certain income criteria and claim an exemption from withholding. To claim an exemption: for North Carolina complete Form NC-4P (obtained from the North Carolina Department of Revenue); for Virginia complete Form VA-4P (obtained from the Virginia Department of Taxation), and return the appropriate form to us with, and to the same Hartford Service Center location as, your Withdrawal Request.

Please refer to the following table for State Income Tax Withholding rules on distributions from 401, 403(b), Governmental 457and 408 Individual Retirement Plans.

State Withholding Table

California -	10% of amount of Federal Income Tax withheld
Kansas -	5% of taxable portion of distribution
Iowa -	5% of taxable portion of distribution
Maine -	5% of taxable portion of distribution
Massachusetts -	5.3% of taxable portion of distribution
North Carolina -	4% of taxable portion of distribution
Oklahoma -	5% of taxable portion of distribution
Oregon -	9% of taxable portion of distribution
Vermont -	6.72% of taxable portion of distribution
Virginia* -	4% of taxable portion of distribution

This reflects applicable states and their stated withholding rates effective 1/1/2001. Rates may be modified by the states at any time and additional states may add a requirement to withhold on these types of distributions at any time. Our withholding will reflect the current rate for the applicable state at the time of each individual payment.

*Note: Virginia State Income Tax is not applicable to 408 plans.

Payee/Account Information

I am a resident of *(check one)*

☐ California ☐ Oregon

and I wish to elect "out" of State Income Tax Withholding.

Payee's Signature	Date *(mm/dd/yyyy)*

Death Claim Instructions

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401/403(b) Non-ERISA
Deferred Compensation

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Good Order

Good Order is receipt at our Hartford Service Center of this form and any other required information or forms *(e.g., original or certified copy of the Death Certificate)* that has been accurately and entirely completed, and includes the signature of you, the Beneficiary, and where appropriate, the Employer's signature. Forms and any other requested information not received in Good Order, as we determine, may be returned to you for correction and processed upon re-submission in Good Order at our Hartford Service Center.

For those customers where the terms of the Contract allow us to accept a Plan Sponsor's or Plan Trustee's certification of the Participant's death in lieu of the Death Certificate, when a death benefit payment request is made, we will not require an original or certified copy of the Death Certificate. If a Death Certificate is received it will become part of our file and will not be returned.

Terms and Conditions

The withdrawal effective date will be the date our Hartford Service Center has received the Withdrawal Request Form and any other required forms in Good Order.

For purposes of calculating the amount, the value of the vested individual account will be determined after the final close of business of the New York Stock Exchange on the valuation date we have received the Death Claim Form and any other required forms in Good Order at our Hartford Service Center. A valuation date is any normal business day, Monday through Friday, that the New York Stock Exchange is open.

There may be legal or tax considerations in connection with this withdrawal. Therefore, you may wish to consult your legal or tax advisor before submitting this Withdrawal Request.

The furnishing of this form by us does not constitute an admission that there is a Contract in force. The undersigned warrants that no insolvency or bankruptcy proceedings are pending against the Contracts or against any interest of the undersigned therein.

Withdrawals may be subject to market value adjustments. For partial withdrawals where a specific dollar amount of withdrawal has been requested, the check will be for the amount requested, less any applicable withholding for income taxes. For any other full or partial withdrawal, all adjustments will be deducted from the withdrawal amount requested on this form.

Funds withdrawn from a Guaranteed Term in the Guaranteed Accumulation Account (GAA) prior to maturity are subject to a Market Value Adjustment (MVA). The MVA may increase in the current value. Please refer to the GAA prospectus for more information.

The Code requires that distribution of death proceeds begin within a certain period of time. Generally, either payments must begin by December 31 of the year following the year of the Participant's death, or the entire value of the your benefits must be distributed by December 31 of the fifth year following the year of the Participant's death, unless the Beneficary is the Spouse. If the Beneficiary is the Spouse, distribution of the Participant's benefits may be deferred until the end of the year in which the Participant would have attained age 70½.

Beneficiary Information

For those plans that have us as the Beneficiary Recordkeeper, this section must agree with the previous Beneficiary Designation recorded.

For all other plans, we are entitled to rely exclusively on the Beneficiary information contained in this Withdrawal Request Form that has been provided and signed by the Beneficiary or Employer *(if applicable)*.

If multiple Beneficiaries, each Beneficiary must complete a Death Claim Form.

Type of Withdrawal

Please complete this information in its entirety. If Minor, Non-Spouse *(including Trust Beneficiaries)*, or Estate, you may defer distribution until the end of the fifth year following the Participant's death. Please contact your Representative if you are interested in this option.

Payment and Mailing Information

Please complete this information in its entirety.

Electronic Deposit to U. S. Bank Accounts Only *(Optional)*

Take advantage of a convenient *(avoid trips to your bank or mail delays)* method of having your withdrawal electronically deposited to your bank account.

To ensure your payment is accurately deposited into your bank account please verify with your bank or financial institution the proper instructions for Electronic Deposits.

Income Tax Withholding Notice and Election	If any portion of the taxable withdrawal is not subject to mandatory 20% Federal Income Tax Withholding, complete this section and select the desired withholding option. This would generally include death benefits payable to a Non-Spousal Beneficiary.
Tax Reporting Information	On withdrawals made payable to a Beneficiary or direct rollovers, we will report distribution on IRS Form 1099-R. All parties should consult their tax advisor, Plan Administrator, or IRS Publication 515 for more details.
Non-Resident Tax Information	**This information is required only if your residency is outside the United States.** **If you are a United States Citizen and the withdrawal is delivered to a Non-U. S. Resident address**, your payment is subject to U. S. Federal Income Tax Withholding rules for United States citizens *(see Tax Withholding section of this form)* with this exception: You are **not** able to elect "out" of U. S. Federal Income Tax Withholding. **If you are not a United States Citizen and the withdrawal is delivered to a Non-U. S. Resident address**, your payment is subject to U. S. Federal Income Tax Withholding provisions for Non-Resident Aliens. The taxable portion of your payment that is considered United States-source income is subject to 30% Non-Resident Alien U. S. Federal Income Tax Withholding. To calculate U. S. Federal Income Tax Withholding, we assume *(as allowed by law)* that your entire payment is from United States sources. If you believe any portion is not from a United States source, or the rate of the U. S. Federal Income Tax is less, you can claim a U. S. Federal Income Tax refund when filing your United States Federal Income Tax *(Form U.S. Federal Non-Resident Income Tax Return 1040NR)* return.
Overpayment Recovery	I understand that ING Life Insurance and Annuity Company reserves the right to directly or through a third party recover any payments made in excess of amounts to which you are entitled under the terms of the Contract, regardless of the method of payment.
Authorized Signatures and Certification	This section must be signed by the Beneficiary. In addition to verifying that the information regarding this withdrawal request is correct and complete, the Beneficiary must certify that she/he has received and read the Special Tax Notice section and waives the 30-day notice requirement by requesting a withdrawal.

Special Tax Notice

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Regarding Payments from your Account

This notice contains important information you will need before you decide how to receive benefits from your 403(b) Program, 401 Qualified Plan or, Governmental 457 Plan account. We are required to provide this notice to you at least 30 days, but no more than 90 days, before the date of distribution. You have the right to consider whether to elect a direct rollover for at least 30 days after the notice is provided. Your Employer's retirement program may provide that by completing and returning the distribution request form in less than 30 days, you elect to waive the 30-day requirement. This would mean that you do not wish to wait 30 days before receiving your requested distribution. We will process your distribution request as of the date we receive it in Good Order at the above address.

If you are a participant or beneficiary under a Governmental 457 Plan, your plan may require that you choose the manner in which your deferred benefits will be paid within a specified period of time. Please consult with your plan administrator or us to determine the election period applicable to your benefits.

All or any portion of your payment that is an "eligible rollover distribution" may be either paid in a "direct rollover" or paid to you. A direct rollover is a direct payment of benefits to an "eligible retirement plan that accepts rollovers." An "eligible retirement plan" is defined as a traditional Individual Retirement Arrangement (IRA), a 403(b) Program, a 401 Qualified Plan or a Governmental 457 Plan. Please note that a "traditional IRA" does not include a Roth IRA, SIMPLE IRA, or Education IRA (also known as a Coverdell Education Savings Account).

Payments that cannot be Directly Rolled Over

The following payments cannot be rolled over and must be paid to you. Note that if a portion of your payment is taxable and is not an eligible rollover distribution, it is subject to 10% voluntary federal income tax withholding.

Non-taxable Payments – After-tax contributions cannot be rolled over to a Governmental 457 Plan.

Hardship Withdrawals and Unforeseeable Emergency Withdrawals – Hardship withdrawals from a 403(b) Program or 401(k) Qualified Plan and unforeseeable emergency withdrawals from a Governmental 457 Plan cannot be rolled over.

Payments Spread Over Long Periods - You cannot roll over a payment if it is part of a series of equal or almost equal payments that are made at least once a year and that will last for:

- your lifetime (*or your life expectancy*),
- your lifetime and your Beneficiary's lifetime (*or joint life expectancies*), or
- a period of ten years or more.

Required Minimum Distribution Payments - A certain portion of your distribution payment cannot be rolled over if it is a "required minimum payment." (*Certain payments made upon a Participant's death are required minimum payments and cannot be rolled over.*) Payments which are minimum required distributions generally must commence by April 1st of the calendar year following the calendar year in which the Participant (1) attains age 70½ or (2) retires, whichever is later. However, distributions from the 403(b) Program attributable to the 403(b) account value as of December 31, 1986 must begin by April 1st following the calendar year in which a Participant reaches age 75 or retires, whichever is later. If you are a Participant in a 401 Qualified Plan and you are considered a 5% Owner in the Employer sponsoring the Plan, special rules govern the timing of your required minimum distribution. If you attained age 70½ prior to January 1996 special rules apply to the definition of required minimum payment.

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.

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 the "Special Tax Treatment" section below.

Direct Rollover

You may choose a direct rollover of all or any portion of your payment that is an "eligible rollover distribution." In a 403(b) Program, 401 Qualified Plan or Governmental 457 Plan direct rollover, payment is made to an "eligible retirement plan" that accepts rollovers. Your distribution cannot be rolled over to a Roth IRA, a SIMPLE IRA, or an Education IRA because these are not eligible retirement plans. If you choose a direct rollover, you are not taxed on the taxable portion of the payment until it is distributed from the traditional IRA, 403(b) Program, or 401 Qualified Plan or from a Governmental 457 Plan.

Direct Rollover (continued)

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 consider whether 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 Internal Revenue Service (IRS) Publication 590, "*Individual Retirement Arrangements*," for more information on traditional IRAs *(including limits on how often you can rollover between IRAs)*.

Direct Rollover from a 403(b) Program, 401 Qualified Plan, or Governmental 457 Plan to an eligible retirement plan - If you are employed by a new Employer that has an eligible retirement plan, ask the Employer whether it will accept your rollover. Even if the Employer's plan does not accept the rollover you can choose a direct rollover to a traditional IRA. If the Employer's 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.

Direct Rollover of a Series of Payments - If you receive eligible rollover distributions that are paid in a series for less than ten (10) years, your choice of whether or not to roll over the 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.

Direct Rollover of After-Tax Contributions – If you made after-tax contributions, 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:

a) **Rollover into a Traditional IRA.** You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your Employer should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion. If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service 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. Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

b) **Rollover into a 401(a) Qualified Plan.** You can roll over after-tax contributions from a 401 Qualified 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.

c) **Rollover into a 403(b) program.** You can roll over after-tax contributions from a 403(b) program to another 403(b) program using a direct rollover if the other program provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. Note: Currently, federal law and guidance is unclear on whether this type of rollover is allowed. We strongly urge you to discuss with your tax adviser any potential adverse tax consequences that may apply in the event the IRS' prohibits this type of rollover.

NOTE:

- 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 Employer to make a direct rollover on your behalf.
- You cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

Payment Paid to You

Mandatory Withholding - If any portion of an eligible rollover distribution is paid to you, we are required by federal law to withhold 20% of the taxable amount and send it to the IRS as Federal Income Tax Withholding. For example, if your rollover distribution is $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 or 20% of the taxable amount, as Federal Income Tax. You will need to report the $10,000 as a taxable payment from the 403(b) Program, 401 Qualified Plan or Governmental 457 Plan and the $2,000 as Federal Income Tax withheld on your IRS Form 1040. The $2,000 will be credited against any Federal Income Tax you owe for the year. The payment is taxed in the year you receive it unless, within sixty (60) days of receipt, you roll it over to a traditional IRA or to another type of eligible retirement plan that accepts rollovers. (see Sixty-Day Rollover Option below)

State Withholding - If State Income Tax Withholding is required on the payment, or if you elect to have it withheld, we will withhold such tax and send it to the state. For states that impose a State Income Tax on designated distributions *(Pension Plans)*, we will assume that your state follows the Federal tax basis for state taxation purposes. In addition, if the state requires income tax withholding, we will apply the State Income Tax Withholding rate against the federal taxable amount.

If a state requires mandatory Income Tax Withholding and a state withholding certificate/form is not submitted in a timely manner, State Income Tax Withholding will be deducted based on the appropriate state default withholding election and rate.

Payment Paid To You (continued)	State Income Tax Withholding and Reporting will be determined using your legal residency at the time the distribution is made. The tax determination of your distribution can be complex and does vary based on your state of residency. You may want to consult with your own tax advisor to determine the proper tax treatment of your distribution. **Voluntary Withholding** - If any portion of your payment is not an eligible rollover distribution but is taxable, the mandatory withholding rules do not apply. A 10% voluntary Federal Income Tax Withholding will automatically apply unless you elect to have no Federal Income Tax withheld. **Sixty-Day Rollover Option** - If you have an eligible rollover distribution paid to you, you may still decide to roll over all or part of it to an eligible retirement plan that accepts rollovers. <u>If you decide to roll over, you must make the rollover within sixty (60) days after you receive the payment.</u> The taxable portion of your payment that is rolled over will not be taxed until you take it out of the eligible retirement plan. You may roll over up to 100% of the amount that was an eligible rollover distribution, including an amount equal to the 20% that was withheld. If, within the sixty (60) day period, you choose to roll over 100%, you must contribute other money to the eligible retirement plan to replace the 20% that was withheld. If you roll over only the 80% that you received, the 20% that was withheld will be included in your taxable income for the year. For example, if your eligible rollover distribution from an eligible retirement plan was $10,000 and you chose to have it paid to you, you will receive $8,000, and $2,000 will be sent to the IRS as Federal Income Tax Withholding. Within sixty (60) days after receiving the $8,000 you may roll over up to $10,000 to an eligible retirement plan that accepts rollovers. 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. In this case, the entire $10,000 is not taxed until you take it out of the eligible retirement plan, and you may be eligible to receive a refund of the $2,000 withheld when you file your income tax return. 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.) **Additional 10% Premature Withdrawal Tax If You Are Under Age 59½** - If you receive a payment before you reach age 59½ (*and no other statutory exemption applies*) and you do not roll it over, you may have to pay an extra premature distribution tax, in addition to Federal Income Tax. Unless an exception applies, you will have to pay this extra tax, equal to 10% of the taxable portion of the payment, when you file your income tax return. 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 IRS 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 (QDRO), 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. This additional 10% tax is not applicable to distributions from a Governmental 457 Plan, but will be applicable to monies originally contributed to another eligible retirement plan (e.g. 401, 403(b) or traditional IRA) subject to this tax which were subsequently rolled over to the Governmental 457 Plan. Any amount rolled from a Governmental 457 plan to another type of non governmental eligible retirement plan (e.g. 401, 403(b) or traditional IRA) will become subject to the additional 10% tax, if it is distributed to you before you reach age 59 ½, unless one of the exceptions applies.
Surviving Spouses, Alternate Payees and Other Beneficiaries	With some exceptions, the rules summarized above also generally 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 a 403(b) Program or 401 Qualified Plan results from a "Qualified Domestic Relations Order" or your interest in a Governmental 457 Plan results from a plan approved or certified "Domestic Relations Order" issued in connection with a divorce or legal separation*.) Some of these rules also apply to a deceased Employee's Beneficiary who is not a Spouse. • **If you are a Surviving Spouse or an alternate payee (spouse or former spouse)**, you have the same choices as the employee; therefore you may choose to have an eligible rollover distribution paid in a direct rollover to an eligible retirement plan that accepts rollovers or paid to you. If you have the payment paid to you, you may keep it or roll it over yourself to an eligible retirement plan. If you do not request a direct rollover and you have the payment paid to you, we are required by federal law to withhold 20% of the taxable amount and send it to the IRS as Federal Income Tax Withholding. • **If you are a Beneficiary other than the Surviving Spouse or alternate payee (spouse or former spouse)**, you cannot choose a direct rollover and you cannot roll over the payment yourself. A 10% Federal Income Tax Withholding will automatically apply unless you elect to have no Federal Income Tax withheld. If you are a Surviving Spouse, an Alternate Payee, or another Beneficiary, your payment is generally not subject to the additional 10% Premature Withdrawal Tax described above. You may also be able to use the special tax treatment for lump-sum distributions and the special rule for payments that include Employer Stock, as described below. 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 five (5) years of participation in the 401 Qualified Plan.

Special Tax Treatment ***(applicable to 401 Qualified Plans only***	**Lump-Sum Distributions from a 401 Qualified Plan** - If your eligible rollover distribution from your 401 account is not rolled over, the taxable portion of the distribution will be taxed in the year you receive it. However, if you were born before January 1, 1936, and your distribution qualifies as a "lump-sum distribution," it may be eligible for special tax treatment. A lump-sum distribution is defined as a payment, within one year, of your entire balance under the 401 Qualified Plan (*and certain other similar Plans of the Employer*), that is payable to you because you have reached age 59½ or have separated from service with your Employer. For a payment to qualify as a lump-sum distribution, you must have been a Participant in the plan for at least five (5) years. The special tax treatment for lump-sum distributions is described below. • **Ten-Year Averaging** - If you receive a lump-sum distribution and you were born before January 1, 1936, you may make a one-time election to figure the tax on the payment by using "10-year averaging" (*using 1986 tax rates*) that may reduce the tax you owe. • **Capital Gain Treatment** - If you receive a lump-sum distribution, and you were born before January 1, 1936, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan (*if any*) 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 to a 401 Qualified Plan from a 403(b) program or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a payment from a 401 Qualified Plan (*or certain other similar Plans of the Employer*), you cannot use this special tax treatment for later payments from a 401 Qualified Plan. If you roll over your payment to a traditional IRA, governmental 457 plan or 403(b) program, you will not be able to use this special tax treatment for later payments from that traditional IRA governmental 457 plan or 403(b) program. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan or 403(B) program, this special tax treatment is not available for the rest of the payment. See IRS Form 4972, "*Tax on Lump-Sum Distributions*," for more information. **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 (5) years of participation in the Plan, 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. 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 an eligible retirement 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 an eligible retirement plan. 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% Federal Income Tax Withholding, will be based on the entire taxable amount paid to you *(including the Employer Stock, but excluding the net unrealized appreciation)*. However, the amount withheld will be limited to the cash or property *(excluding Employer Stock)* paid to you. 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. **Repayment of 403(b) Program or 401 Qualified Plan Loans** – If you terminate your employment, and have an outstanding loan from your 403(b) Program or 401 Qualified Plan, your Employer may reduce *(or "offset")* your balance in the 403(b) Program or 401 Qualified 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 rollover an amount equal to the amount of your loan offset to another eligible retirement plan within sixty (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 403(b) Program or 401 Qualified Plan, the 20% Federal Income Tax Withholding amount will be based on the entire amount paid to you, including the amount of the loan repayment. The amount withheld will be limited to the amount of other cash or property paid to you *(other than any Employer Securities)*.
How to Obtain Additional Information	This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. Since the rules are complex and contain many conditions and exceptions not included above, you may wish to consult a professional tax advisor before taking a payment of your benefits. Also, you can find more specific information on the tax treatment of payments from 403(b) Programs in IRS Publication 571, "*Tax Sheltered Annuity Programs for Employees of Public Schools and Certain Tax-Exempt Organizations*", 401 Qualified 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 Internet Website at www.irs.gov, or by calling 1-800-TAX-FORM (829-3676).