FRANKLIN TEMPLETON INVESTMENTS

Franklin Templeton **Business Retirement Plan Distribution Request**

Note: Do not use for corrections of excess contributions, divorce (QDRO) settlements or beneficiary distributions.
If completing by hand, please print clearly in CAPITAL LETTERS using blue or black ink.

1 PARTICIPANT INFORMATION

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

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

1. Signature guarantee required for distributions to a new address

This request applies to the following account number(s):

TYPE OF BUSINESS RETIREMENT PLAN: ☐ Profit Sharing Plan ☐ Money Purchase Pension Plan[2]

2. If your plan balance is over $5,000 and you are married, spousal consent is required—see section A on page 4.

FINANCIAL ADVISOR INFORMATION (OPTIONAL) Name | Phone number ( ) | Fax number ( )

2 EMPLOYER'S CERTIFICATION OF DISTRIBUTION EVENT & VESTING

Required to be certified by plan employer

DISTRIBUTION EVENT (must be met for distribution from the plan):

☐ Normal Retirement Age *(or Early Retirement Age, if applicable)*

☐ Separation from Service

☐ Permanent Disability *(section C on page 4 must be completed.)*

☐ Financial Hardship ***(for Profit Sharing Plans Only)*** *A hardship distribution must not exceed the limit stipulated by the plan and only partial distributions are permitted.*

☐ Plan Termination

☐ Distribution of Amount(s) Attributable to Rollover or Qualified Voluntary Contributions *(for Profit Sharing Plans Only)*
Please specify dollar amount eligible for distribution under this event $

PLAN EMPLOYER'S CERTIFICATION

I certify that the participant is ____ % (up to 100%) vested and is eligible for distributions under the event indicated above. *(If participant is not 100% vested and is no longer employed, please refer to section B on page 4.)* **For plans established prior to January 1, 2010:** I further certify that I have formally adopted the 2009 restated version of the Franklin Templeton Business Retirement Plan *(required to ensure compliance with tax law changes)*.

Signature of plan employer X | Date

Name (printed) of plan employer | Title

Name of business | Daytime phone number ( )

SIGNATURE GUARANTEE STAMP
(Required for distributions over $100,000)

3 METHOD OF DISTRIBUTION

☐ **Balance of account**

☐ **Partial payment of** $ ____ ; ____ %; **or** ____ **shares**

[Note: If your distribution is eligible to be rolled over, 20% may be withheld (see Special Tax Notice on page 5 for details). Please consider this when specifying your partial payment.]

☐ **Pay dividends &** ☐ **Pay capital gains** (will be reinvested unless checked)

☐ **Periodic payments:** ☐ Monthly ☐ Quarterly ☐ Annually **Beginning** (mm/dd/yyyy) ____ 2 0 ____[3]

CHOOSE ONE PERIODIC PAYMENT OPTION:

☐ Period certain ____ years (not to exceed maximum life expectancy).

☐ Fixed amount $ ____ (not over life expectancy).

☐ **Fixed amount $ ____ over life expectancy based on an assumed interest rate.

☐ **Minimum based on life expectancy. If spouse is your beneficiary, please provide beneficiary information below:

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

3. Periodic payments may be processed on the 1st, 5th, 10th, 15th, 20th or 25th; if no selection is made, payments will be processed on the 20th. If you request a Required Minimum Distribution ("RMD") to be paid on the 1st or 5th of January, please allow additional mailing time in order for the January RMD to be properly calculated.

**If under 59½, you will be deemed to have elected single life expectancy payments under IRC §72(t)(2)(A)(iv) unless you indicate otherwise. (See Special Tax Notice on page 5.)

Questions? Please call your financial advisor or Franklin Templeton at **(800) 527-2020.**

4 WITHHOLDING ELECTION (Please refer to the attached Special Tax Notice)

FEDERAL TAX WITHHOLDING

If my distribution is eligible for rollover, I understand that my distribution is subject to mandatory federal withholding at the rate of 20%.

If my distribution is ***NOT eligible for rollover*** (e.g., periodic payments, a required minimum distribution, or a financial hardship withdrawal), I elect the following *(if no election is made, I understand that the withholding rate will be calculated as if I am married and claiming three withholding allowances)*:

1. ☐ **NO** federal tax withheld on my plan distribution.
2. ☐ Please withhold based on: ☐ **Single** ☐ **Married** Allowances _____ /Add'l _____ % (optional)

STATE TAX WITHHOLDING POLICY – If you have questions regarding state withholding, please consult with a tax advisor or your state's taxing authority.

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

5 DISTRIBUTION INSTRUCTIONS

CHECK ONE:

☐ Forward check(s) to me.

☐ Direct rollover to a Franklin Templeton IRA — Fund number _____ Account number _____

(If you do not have an existing IRA, please complete and attach a Franklin Templeton IRA application.)

☐ Deposit to my personal Franklin Templeton account — Fund number _____ Account number _____

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

☐ Checking ☐ Savings — Bank name _____ Bank routing number (9 digits) _____ Account number _____

Tape a preprinted voided check or preprinted savings account deposit slip here.

Bank account registration information (your name and address) cannot be blank or handwritten.

Do not staple.

J. A. Sample
123 Street
Anywhere, USA 00000

XXXXX

VOID

DATE _____

PAY TO THE ORDER OF: _____

_____ DOLLARS

FOR _____

XXXX XXX XXXX XXXX XXXXX XXXXXX XXXXX

Please note the following distribution payment options will require your signature to be guaranteed:

☐ Direct rollover to outside IRA (Complete information requested below)*

☐ Direct rollover to qualified plan (Complete information requested below)*

☐ Send to other address listed below

Trustee _____

Address _____ City _____ State _____ ZIP _____

Phone number ( )

*A letter of acceptance from the custodian may be provided in lieu of the signature guarantee.

6 PARTICIPANT'S CERTIFICATION & AUTHORIZATION

I have received and read the Special Tax Notice and take responsibility for the tax consequences of this distribution. I understand I have at least 30 days after receiving the Special Tax Notice to consider my distribution options, and I waive this notice period if the 30 days have not yet passed. I certify under penalty of perjury that all information contained herein, including my Social Security number (on page 1), is true and correct. I further certify that I am a U.S. person (including a U.S. resident alien). (Nonresident aliens should cross out the preceding sentence and, if claiming treaty benefits, attach a completed W-8BEN with a U.S. tax identification number.)

X _____ Date _____

Signature of participant

Daytime phone number

( )

SIGNATURE GUARANTEE STAMP (Required for distributions over $100,000 or directed to an address other than the address of record)

Upon completion, please send to:	WEST COAST	EAST COAST
	Franklin Templeton Bank & Trust, F.S.B. **P.O. Box 997153** **Sacramento, CA 95899-7153** **(800) 527-2020**	**Franklin Templeton Bank & Trust, F.S.B.** **P.O. Box 33033** **St. Petersburg, FL 33733-8033** **(800) 527-2020**

A MONEY PURCHASE PENSION PLAN SPOUSAL CONSENT

MONEY PURCHASE PENSION PLAN PARTICIPANTS: If your vested plan balance is over $5,000 and you are married, you are required to receive your benefits under a QJSA, unless your spouse consents below. (Please also refer to the Explanation of Qualified Joint & Survivor Annuity in Special Tax Notice.)

I, _____ *(name of participant's spouse)*, understand that my spouse is entitled to benefits under the plan and is electing a method of distribution other than a Qualified Joint & Survivor Annuity (QJSA). I further acknowledge that I have received and read an explanation of the QJSA and I understand the financial effect of my spouse's election on me. I hereby waive any and all rights that I may have to the QJSA under the plan.

Executed on this _____ day of _____, 20____

X _____
Signature of participant's spouse

X _____
Witnessed by (Signature of notary public)

[Seal]

B NON-VESTED BENEFITS OF FORMER PARTICIPANT (To be addressed by plan employer)

PLAN EMPLOYER: If the participant is not 100% vested upon separation from service, you may transfer the non-vested portion to a separate suspense account in the Franklin Money Fund by checking the box below and providing the requested information. If you choose otherwise, please attach separate instructions (e.g., Forfeiture Allocation Form) regarding how you wish to allocate the non-vested benefits.

Note: If the participant is re-employed by you **before five consecutive one-year breaks* have been incurred,** the participant may restore his/her account by returning the amount originally distributed. If the participant exercises this "buy-back" option, the Employer must restore the participant's non-vested portion back to his/her account.

☐ I have received a Franklin Money Fund prospectus. Transfer the participant's non-vested portion to a suspense account in the Franklin Money Fund using the information shown below.

Employer's address _____ Employer's tax I.D. number _____

Only the plan employer may re-allocate proceeds held in this account to the remaining plan participants or to the participant's account should he or she return within five years and exercise this "buy-back" option.

*A "one-year break in service" occurs when a participant fails to complete over 500 hours of service during a plan year.

C CERTIFICATION OF PERMANENT & TOTAL DISABILITY

One of the following must be provided as proof of your permanent & total disability.

☐ 1. Copy of your valid Social Security Award Certificate

☐ 2. The certification below completed by your physician

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

Physician's signature X _____ Date _____

Name _____ Name of hospital/clinic _____

Street address _____ City _____ State _____ ZIP _____

☐ 3. Certification was previously provided to FTB&T and I certify that it is still valid: Approximate date submitted (month/year) ____ ____

D SIGNATURE GUARANTEE INFORMATION

The plan employer's signature must be signature guaranteed if the distribution is over $100,000. The participant's signature must be signature guaranteed if the distribution is over $100,000 or is to be directed to an address other than the address of the record (including a new address).

Signatures may be guaranteed by one of the following: (1) national or state banks, savings associations, savings and loan associations, trust companies, savings banks, industrial loan companies, and credit unions; (2) national securities exchanges, registered securities associations, and clearing agencies; (3) securities broker/dealers which are members of a national securities exchange or clearing agency, or which have a minimum net capital of $100,000; or (4) institutions that participate in the Securities Transfer Agent Medallion Program ("STAMP"). *A notarized signature will not be sufficient for the request to be in proper form.*

Special Tax Notice Regarding Plan Distributions

The Internal Revenue Code (the "Code") provides several complex rules relating to the taxation of retirement plan distributions. This notice contains important information you will need before you decide how to receive distributions from your Franklin Templeton Bank & Trust ("FTB&T") Business Retirement (Profit Sharing and/or Money Purchase Pension) Plan.

1 DISTRIBUTIONS ELIGIBLE FOR ROLLOVER AND APPLICABLE TAX WITHHOLDING

A rollover is a reinvestment by you or the retirement plan of all or part of your distribution to another eligible IRA or employer plan (defined under "Eligible IRA or Employer Plan," below). The amount rolled over is not taxed until it is paid to you from the receiving plan.

Generally, any distribution from a Profit Sharing or Money Purchase Pension Plan is eligible for rollover with the exception of the following:

1. **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 over life expectancy or a period of 10 years or more.
2. **Payments Required under the Minimum Distribution Rules.** Beginning when you reach age 70½ (or retire, if you are a non-5% owner), a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.
3. **Hardship Distributions.**
4. **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.

If your distribution is eligible for rollover, it can be:

- Paid to you;
- Paid in a direct rollover to an eligible IRA or employer plan; or
- Paid in part to you directly and in part as a direct rollover.

Distribution Paid to You: The part of the distribution paid to you is subject to mandatory federal income tax withholding at the rate of 20%. The withholding amount is deducted from your distribution proceeds. You may roll over the distribution yourself to an eligible IRA or employer plan within 60 days of receipt (this is called an "Indirect Rollover"). However the drawback to this is that unless you have other resources to make up the amount that was withheld and roll it over, you will owe taxes on that amount.

Direct Rollover: If you request a direct rollover, we will pay all (or part, if you specify) of your distribution directly to an eligible IRA or employer plan. A distribution directly rolled over is not subject to the mandatory 20% withholding indicated above.

Eligible IRA or Employer Plan:

An "eligible IRA" includes a traditional IRA, Rollover IRA, or SEP/SARSEP-IRA. It does not include a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account.

An "eligible employer plan" includes a plan qualified under Section 401(a) of the Code, including a 401(k) plan, Profit Sharing Plan, Defined Benefit Plan, Stock Bonus Plan, and Money Purchase Pension Plan; a 403(a) annuity plan; a 403(b) plan; and a governmental 457 plan. An eligible employer plan is not required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers, and if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover.

Special Rules for Rollover of After-tax Contributions:

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 after-tax contributions. The following rules apply:

- **Rollover into a Traditional IRA:** You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. 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. Once you roll over your after-tax contributions to a traditional IRA, these amounts CANNOT later be rolled over to an employer plan.
- **Rollover into an Employer Plan:** You can roll over after-tax contributions to a plan qualified under Section 401(a) or 403(a) of the Code 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 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 FTB&T 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.

2 DISTRIBUTIONS INELIGIBLE FOR ROLLOVER AND APPLICABLE TAX WITHHOLDING

A taxable distribution which is ineligible for rollover is subject to federal tax withholding based on the marital status and number of allowances you elect on line 2 of the Withholding Election section of the Business Retirement Plan Distribution Request Form. You are required to elect out of withholding in order for no withholding to apply to the distribution; if you make no election, we will apply the applicable minimum withholding rate (calculated as if you are married and claiming three withholding allowances) and deduct the required amount, if any, from your distribution.

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

Special Tax Notice Regarding Plan Distributions (cont'd.)

3 ADDITIONAL 10% TAX IF YOU ARE UNDER AGE 59½

If you receive a distribution 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 distribution. The additional 10% tax generally does not apply to (1) distributions that are paid after you separate from service with your employer during or after the year you reach age 55, (2) distributions that are paid because you retire due to disability, (3) distributions that are paid as equal (or almost equal) distributions over your life or life expectancy (or your and your beneficiary's lives or life expectancies), and that continue for a minimum period of five years *and* through age 59½ [IRC §72(t)(2)(A)(iv)], (4) distributions that are paid directly to the government to satisfy a federal tax levy, (5) transfers paid to an alternate payee under a qualified domestic relations order, or (6) distributions that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

4 SPECIAL TAX TREATMENT IF YOU WERE BORN BEFORE JANUARY 1, 1936

If you receive a distribution which is eligible for rollover and you do not roll it over to an eligible IRA or employer plan, the distribution 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. A lump sum distribution is a distribution, within one year, of your entire balance under the plan 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.

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 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 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 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 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), 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.

5 30-DAY NOTICE PERIOD AND RIGHT OF WAIVER

Generally, neither a direct rollover nor a distribution 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 period ends before your election is processed, you may waive the notice period by completing and submitting the Franklin Templeton Business Retirement Plan Distribution Request Form. Your distribution will be processed in accordance with your election as soon as practical after it is received in good order by FTB&T.

6 QUESTIONS & ANSWERS ON REQUIRED MINIMUM DISTRIBUTIONS

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

A-1 Distributions must generally begin by April 1 following the year you attain age 70½ (your "70½ year"). (However, if you are not a 5% owner, distribution may be delayed until April 1 after the year you retire.) Depending on your financial situation, you may want to start distributions in your 70½ year (or the year you retire, if applicable) in order to avoid taking two distributions in your second year. A 50% IRS excise tax may be imposed on any required amount you fail to withdraw in a timely manner.

Q-2 How is my required minimum distribution calculated?

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

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

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

6 QUESTIONS & ANSWERS ON REQUIRED MINIMUM DISTRIBUTIONS (cont'd.)

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

A-4 No. According to the IRS rules, even when multiple primary beneficiaries are designated, only your age is used to calculate your RMD by using a divisor in the Uniform Table.

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

7 EXPLANATION OF QUALIFIED JOINT AND SURVIVOR ANNUITY

(**For Money Purchase Pension Plan Participants and their Spouses**)

A Qualified Joint and Survivor Annuity (QJSA) provides you with a monthly payment for your life. Upon your death, your spouse receives a monthly payment not less than 50% (and not greater than 100%) of the amount you received prior to your death. Because of the succeeding survivor annuity, you receive smaller monthly payments than under a single life annuity for your life only.

The following table illustrates the monthly payments that you and your spouse might receive under a QJSA, based on the following assumptions:

1) Your vested account balance is $10,000;
2) The rate of return of the annuity is a constant 5%; and
3) Monthly payments to the surviving spouse are 50% of the monthly amount you had received.

Age you begin distributions	Your spouse's age	Monthly payment during your lifetime	Monthly payment to surviving spouse
70	65	$65.40	$32.70
70	70	$67.40	$33.70

Using assumptions 1 and 2 above, the following figures represent the amounts you might receive under a single life annuity:

Age you begin distributions	Monthly payment during your lifetime only
65	$65.20
70	$73.90

These tables are simply intended to illustrate the concept of a QJSA. You and your spouse are encouraged to seek advice from your lawyer, financial planner, or other tax advisor before electing or waiving your rights to receive benefits under a QJSA. If you elect this form of distribution, you will need to select a carrier (generally an insurance company) that will agree to set up the QJSA for you, as well as to accept the *transfer* of your account. In the Alternate Payment Instructions (section D) of the distribution form, please write, "QJSA Method Elected," and provide the carrier's name and address so we may request a signed letter of acceptance from them. Or, if you wish, you may provide such letter from them along with your request.

Should you and your spouse decide to waive your rights to the QJSA distribution method, your spouse must consent to such waiver in the presence of a notary public (as provided in section A on page 4). You will then be able to select any method of payment provided on the form. It is important that you and your spouse understand your rights and obligations regarding the QJSA and any alternate form of payment.

8 HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your distribution. The rules contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a distribution from your plan. Also, you can find more specific information on the tax treatment of distributions 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 website at IRS.gov, or by calling (800) TAX-FORM.

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

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

Rules that apply to most plan distributions are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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

Where may I roll over the distribution?

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

How do I roll over my distribution?

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

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

How much may I roll over?

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

- Certain distributions spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70½ (or after death);
- Financial hardship distributions; and
- Corrective distributions of contributions that exceed tax law limitations.

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

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

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

- Distributions made after you separate from service if you will be at least age 55 in the year of the separation;
- Substantially equal periodic distributions that start after you separate from service over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Distribution made due to permanent disability;
- Distributions after your death;
- Corrective distributions of contributions that exceed tax law limitations;
- Amounts paid from the Plan directly to the government to satisfy a federal tax levy;
- Distributions made under a qualified domestic relations order (QDRO) to a former spouse or alternate payee;

- Distributions up to the amount of your deductible medical expenses; or
- Certain distributions made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days.

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

If you receive a distribution from an IRA when you are under age 59½, you will have to pay the 10% IRS penalty tax on early distributions, unless an exception applies. In general, the exceptions to the 10% IRS penalty tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for IRA distributions.

- There is no exception for distributions after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies to a tax-free transfer made directly to an IRA of a spouse or former spouse as part of a divorce or separation agreement).
- The exception for substantially equal periodic distributions over a specified period applies without regard to whether you have separated from service.
- There are additional exceptions for (1) distributions used towards qualified higher education expenses, (2) distributions up to $10,000 used in a qualified first-time home purchase, and (3) distributions after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

What happens if I miss the 60-day rollover deadline?

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

What if I was born on or before January 1, 1936?

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

Can I roll over my distribution to a Roth IRA?

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

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

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

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

What if I am the beneficiary of a plan participant?

If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% IRS penalty tax on early distributions, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

- If you are the surviving spouse, you have the same rollover options that the participant would have had, as previously described in this Notice. In addition, if you choose to roll over your distribution to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% IRS penalty tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% IRS penalty tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

- If you are a surviving beneficiary other than a spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% IRS penalty tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

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

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

What if I am a nonresident alien?

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

OTHER SPECIAL RULES

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

If your Plan distributions for the year total less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may complete a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

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