Southern California Pipe Trades
Defined Contribution Fund
Hardship Withdrawal
Application

LO56050505

Complete all applicable sections and return pages 1-4 to:

Southern California Pipe Trades Administrative Corporation
Defined Contribution Department
501 Shatto Place, 5th Floor
Los Angeles, CA 90020

Save notice on pages 6-10 for your records.

(800) 595-7473 OR (213) 385-6161

NOTE: You will be suspended from making 401(k) contributions for a period of six full calendar months following the date of this withdrawal. YOU ARE ENCOURAGED TO CONSULT WITH A TAX EXPERT BEFORE MAKING YOUR ELECTION.

SECTION 1—PARTICIPANT INFORMATION

Participant Name ______________________

Participant Social Security Number ______________________

Street Address (the address to which payments to you and Form 1099-R should be sent) ______________________

Name of Current Employer ______________________

City, State, ZIP Code ______________________

Phone Number and/or email address ______________________

If this is a foreign address, additional forms are required. Contact the Southern California Pipe Trades Administrative Corporation for more information.

MARITAL STATUS: ☐ Single ☐ Married ☐ Divorced (date of divorce: ______________________)
If divorce date is after Plan enrollment, attach divorce settlement papers

SECTION 2—REQUEST FOR WITHDRAWAL

I HEREBY REQUEST A WITHDRAWAL FROM MY EMPLOYEE CONTRIBUTION (401(k)) ACCOUNT IN THE ABOVE PLAN.

THE AMOUNT NEEDED TO RELIEVE MY HARDSHIP IS $______________________.

(**You may only withdraw your contributions, not earnings on your contributions. The amount of your payment will be reduced by tax withholding, if applicable**. Your request may include an additional amount to cover anticipated tax liability associated with this withdrawal. You may be required to provide evidence to support this additional amount.)

If the amount available for withdrawal in my account is less that the amount I have requested, I ask for the maximum withdrawal available.

THE REASON FOR WITHDRAWAL IS:

- ☐ to pay un-reimbursed medical expenses of myself, my Spouse, child, dependent, or named Beneficiary;
- ☐ to purchase my principal residence;
- ☐ to prevent eviction from or foreclosure on my principal residence.
- ☐ to pay for tuition/fees for the next 12 months of post-secondary education for myself, my Spouse, child, dependent or named Beneficiary; or
- ☐ to pay for expenses for repairing damage to my principal residence that would qualify for a deduction under Internal Revenue Code §165 (without regard to whether the loss exceeds 10% of my Adjusted Gross Income) (**Find enclosed an additional form required for this option**.)
- ☐ to pay for burial or funeral expenses for my deceased parent, Spouse, child, dependent or named Beneficiary.

I direct that my hardship withdrawal be distributed from the Plan to me directly in cash.

SECTION 3—WAIVER OF THIRTY-DAY NOTIFICATION AND WAITING PERIOD

The IRS requires a thirty-day waiting period following receipt of the notices one pages 5—9. The purpose of this waiting period is to allow you sufficient time to review tax options before taking a distribution. You may waive this waiting period.

I received the notices on pages 5—9 on:______________________, and *(Check one)*
(mm/dd/yy)

- ☐ I understand that the distribution will not be processed before thirty days have lapsed.
- ☐ I understand the explanation of options and choose to waive the thirty-day waiting period.

Signing below and marking neither box will constitute your waiver of the thirty-day waiting period.

SECTION 4—TAX WITHHOLDING

NOTE: Your withdrawal is subject to ordinary income tax. In addition, if you are under age 59 ½, your withdrawal may be subject to an additional 10% federal tax penalty on early withdrawals. Please complete the following:

FEDERAL TAX WITHHOLDING

- ☐ I do not want to have federal income tax withheld from my benefit payments.
- ☐ Withhold 10% (standard amount) for federal income tax
- ☐ Withhold ________% (must greater than 10%) for federal income tax

STATE TAX WITHHOLDING

State tax will be withheld according to the rules and rates in effect at the time of distribution. If you reside in a state that requires mandatory withholding, an election to not have taxes withheld will be disregarded and your distribution will be subject to the statutory minimum required withholding.

- ☐ I do not want to have state income tax withheld from the taxable portion of my benefit payments.
- ☐ I want to have ____________ state income tax withheld from the Taxable portion of my benefit payments.
  (Name of State)

PLEASE NOTE: Even if you elect not to have income taxes withheld, you are liable for the payment of taxes due on the taxable portion of your payment. You may also be subject to tax penalties under the Estimated Tax Payment rules if your payment of estimated tax and withholding are not adequate. If you elect to have State tax withheld, Federal tax must also be withheld.

SECTION 5— ELECTRONIC PAYMENT OPTION

☐ I elect to have my distribution deposited to my personal account via ACH electronic transfer. Send my distribution to my

☐ checking ☐ savings account at:

Financial Institution Name: ______________________________

Address: ______________________________

Phone Number: ______________________________

ABA Number: ______________________________

Account Number: ______________________________

We recommend that you attach a copy of your financial institution's ACH instructions. If the transfer information provided is incorrect or incomplete, a check will be issued and mailed to you.

SECTION 6—PARTICIPANT'S DISTRIBUTION CONSENT

I UNDERSTAND THAT:

1. the withdrawal, if approved, will equal the lesser of the amount required to meet the need created by the hardship, or the amount available for hardship distribution under the law and the terms of the Plan;
2. the withdrawal will be based on the value of my account as of the last valuation date and may be limited by certain trading restrictions;
3. this withdrawal request is irrevocable once processed;
4. the amount I may withdraw may be limited by the terms of the Plan and/or by law;
5. **I must suspend my contributions to the Plan—and all other deferred compensation plans of the same employer—for 6 months after receipt of my hardship distribution**;
6. **taking this withdrawal will have the effect of reducing my future retirement benefit**; and
7. I acknowledge that I have been advised to consult a tax advisor regarding any tax consequences this distribution may have.

I CERTIFY THAT:

1. I have taken all other withdrawals and any loans available to me under programs sponsored by my employer (except that I am not required to take a loan that would increase my hardship);
2. the funds for this need are not otherwise available from reasonable liquidation of personal assets, or by suspending contributions to this or any plan in which I am a participant;
3. I will limit my salary deferrals for this year and next combined to the annual dollar limit under federal law;
4. my withdrawal request is for an immediate and heavy financial need for the reason specified; and
5. I have read and understand the notices on pages 5—9.

SECTION 6—PARTICIPANT'S DISTRIBUTION CONSENT (Continued)

If my request is for the purpose of paying for un-reimbursed medical expenses for myself or my minor children, I understand that the Fund may be required to review my records in the Southern California Pipe Trades Health & Welfare Fund (Active Plan) and/or in the Southern California Pipe Trades Pensioners & Surviving Spouses Health Fund. If so, I hereby authorize the Southern California Pipe Trades Defined Contribution Fund to access my Protected Health Information ("PHI") or that of my minor children. If my request is for the purpose of paying for un-reimbursed medical expenses of my Spouse and/or adult dependents, and their PHI is required to consider my request, and they do not consent to the release of their PHI (on a separate form available from the Trust Fund Office) then those expenses will not be considered as part of my hardship request.

X____ ______________________

Signature of Participant *Date*

- **ATTACH SUPPORTING DOCUMENTS (such as medical or tuition bills, or home purchase contract)**
- **RETURN pages 1-4 to the <u>Southern California Pipe Trades Administrative Corporation (address on page 1)</u>.**
- **SAVE pages 6-10 for your records.**

SECTION 7—CERTIFICATION OF SIGNATURE

The signature of the Participant must be witnessed by the Southern California Pipe Trades Administrative Corporation, a DC#16 Local Union Business Manager OR notarized by a certified Notary Public.

EITHER

Witness by a representative of the Southern California Pipe Trades Administrative Corporation or a DC#16 Local Union Business Manager:

____
ID Provided by Participant

X____ ____
(Signature of SCPTAC Representative __or__ Local Union Business Manager) *Date*

OR

NOTARY CERTIFICATION

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of ______________________________

County of ______________________________

On ______________________________ before me ____, personally
(Date) ***(Here Insert Name and Title of Officer)***

appeared ____, who proved to me the basis of satisfactory evidence to
(Name(s) of Signer(s))

be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the state of ________________________________ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal:____
(Signature of Notary Public)

[Notary's Seal Below]

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PRE-TAX 401(k) ACCOUNT ROLLOVER NOTICE

YOUR ROLLOVER OPTIONS

(For Payments Not From a Designated Roth Account)

You are receiving this notice because all or a portion of a payment you are receiving from the Southern California Pipe Trades Defined Contribution Fund (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

GENERAL INFORMATION ABOUT ROLLOVERS

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

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

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

If you do a direct rollover, the Plan will issue a check payable to the financial institution indicated on your distribution form, however the check will be mailed to your address of record, and it will be your responsibility to forward the check to your IRA or your employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes. This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?
If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:
- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

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

The 10% additional income tax does not apply to the following payments from the Plan:
- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?
If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:
- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

RETAIN FOR YOUR RECORDS

Will I owe State income taxes?
This notice does not in general describe State or local income tax rules (including withholding rules). However, California imposes a 2% state tax penalty for withdrawals if you are under age 59 ½. Withholding of California State tax is optional.

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline
Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee.

For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

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

If you roll over your payment to a Roth IRA
If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

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

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

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

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

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

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

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

Other special rules
If your payments for the year are less than $200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

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

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

RETAIN FOR YOUR RECORDS

AFTER-TAX ROTH 401(k) ACCOUNT ROLLOVER NOTICE

YOUR ROLLOVER OPTIONS

(For Payments From a Designated Roth Account)

You are receiving this notice because all or a portion of a payment you are receiving from the Southern California Pipe Trades Defined Contribution Fund (the "Plan") is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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

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

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

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

Where may I roll over the payment?
You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan or section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?
There are two ways to do a rollover. You can either do a direct rollover or a 60-day rollover.
If you do a direct rollover, the Plan will issue a check payable to the financial institution indicated on your distribution form, however the check will be mailed to your address of record, and it will be your responsibility to forward the check to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

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

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

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

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

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

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

RETAIN FOR YOUR RECORDS

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

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

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

Will I owe State income taxes?
This notice does not in general describe State or local income tax rules (including withholding rules). However, California imposes a 2% state tax penalty for withdrawals if you are under age 59 ½. Withholding of California State tax is optional.

SPECIAL RULES AND OPTIONS

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

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

If you are not a plan participant
<u>Payments after death of the participant</u>. 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, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

<u>If you are a surviving spouse</u>. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

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

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

Payments under a qualified domestic relations order. If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment as described in this notice).

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

RETAIN FOR YOUR RECORDS

Other special rules
If your payments for the year (only including payments from the designated Roth account in the Plan) are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you can do a 60-day rollover.

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

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

FOR MORE INFORMATION

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

NOTICE REGARDING YOUR RIGHT TO DEFER DEFINED CONTRIBUTION PLAN DISTRIBUTION

In accordance with the Pension Protection Act of 2006, the Defined Contribution Fund is required to provide you with this notice that describes the provisions of the Plan that may materially affect your decision to defer distribution of your benefit until a later date.

1. You have the right to defer receipt of your benefit until no later than your Required Beginning Date. Your Required Beginning Date is the April 1st of the calendar year following the later of the calendar year in which you attain age 70½ or the calendar year in which you retire. (Exception: if you are a 5% owner, your Required Beginning date is the April 1st of the calendar year following the calendar year in which you attain age 70½).
2. All or part of your distribution may be an "eligible rollover distribution." The portion of your benefit that may be an eligible rollover distribution is subject to special tax treatment, the rules of which are described in the "Your Rollover Options" notice above. The portion that is not rolled over will be taxed.
3. Whether you wish to defer receipt of your distribution, have all or a portion of your benefit directly rolled over into an IRA or another eligible retirement plan, or receive your benefit at this time is a matter you should consider carefully. As you consider this question, keep in mind that if you defer your receipt of benefits, you will continue to have the right to invest your Individual Account in the Plan's various investment options in accordance with the rules set forth on pages 147 and 148 of your Summary Plan Description. For your information, a list of the Plan's current investment options along with each option's investment style and expense ratio is set forth below.
4. Some currently available investment options in the plan are not generally available on similar terms outside the plan. To obtain additional information on the availability outside the plan of currently available investment options, contact John Hancock Retirement Plan Services at (800) 294-3575.

Investment Options	Investment Style	Fees
Stable Value	Stable Value	.45%
JPMorgan Core Plus Bond Fund	Income (bonds)	.56%
American Century Inflation-Adjusted Bond Inv.	Income (bonds)	.47%
PIMCO All Asset Admin	Asset Allocation (stocks & bonds)	1.33%
T. Rowe Price Retirement 2005 Adv	Target Date (stocks & bonds)	.83%
T. Rowe Price Retirement 2010 Adv	Target Date (stocks & bonds)	.83%
T. Rowe Price Retirement 2020 Adv	Target Date (stocks & bonds)	.91%
T. Rowe Price Retirement 2030 Adv	Target Date (stocks & bonds)	.97%
T. Rowe Price Retirement 2040 Adv	Target Date (stocks & bonds)	1.00%
T. Rowe Price Retirement 2050 Adv	Target Date (stocks & bonds	1.00%
Invesco Equity & Income A	Growth & Income (stocks & bonds)	.81%
RidgeWorth Large Cap Value Equity I	Growth & Income (stocks)	1.09%
T. Rowe Price Equity Index 500	Growth & Income (stocks)	.27%
AllianceBernstein Small-Mid Cap Value K	Equity (stocks)	1.23%
Franklin Small-Mid Cap Growth A	Equity (stocks)	.97%
MainStay Large Cap Growth I	Equity (stocks)	.74%
American Funds EuroPacific Growth R4	International Equity (stocks)	.85%
Oppenheimer Developing Markets A	International Equity (stocks)	1.31%

(In addition to the investment fees listed above, administrative fees are also charges against all accounts.)

HOW TO OBTAIN ADDITIONAL INFORMATION
This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you are encouraged to consult with the Plan Administrator or a professional tax advisor before you take payment of your benefits from your Plan.

RETAIN FOR YOUR RECORDS