

# INLAND

Refrigeration & Air Conditioning  
Retirement Trust Fund

501 Shatto Place, 5<sup>th</sup> Floor, Los Angeles, CA 90020  
(213) 385-6161 • (800) 595-7473 • (213) 385-2767 (fax)

## Death Benefit Application

Complete all applicable sections and return pages 1 - 3 to the address above.  
(Save pages 5-10 for your records.)

### SECTION 1—PARTICIPANT INFORMATION

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

Date of Death \_\_\_\_\_

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

PLEASE ATTACH A COPY OF THE DEATH CERTIFICATE

### SECTION 2—BENEFICIARY INFORMATION

Beneficiary Name \_\_\_\_\_

Relationship \_\_\_\_\_

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

Date of Birth \_\_\_\_\_

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

City, State, Zip Code \_\_\_\_\_

Phone Number \_\_\_\_\_

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

### SECTION 3—PAYMENT OPTIONS FOR SPOUSE BENEFICIARIES (SELECT A, B or C)

Pay the benefit due me as follows:

**A**  DIRECT ROLLOVER TO IRA

Choose one of the following options:

Rollover to a Traditional IRA

Rollover to a ROTH IRA (subject to current taxes—complete withholding elections in Sections 5 and 6)

Rollover to a Qualified Employer Plan

#### IRA OR QUALIFIED PLAN INFORMATION

Any part of my account in the retirement plan above which is eligible for rollover should be directly rolled over to my IRA or qualified employer plan, as I have indicated in this section. (Portion to be rolled over must be more than \$500 if transferring less than 100% of amount eligible for rollover.)

NAME AND ACCOUNT # OF IRA OR NEW EMPLOYER PLAN: \_\_\_\_\_

MAILING ADDRESS OF PAYEE - ADDRESS WHERE CHECK SHOULD BE MAILED \_\_\_\_\_

**B**  ISSUE CHECK DIRECTLY TO ME (Subject to tax withholding-complete withholding elections in Sections 5 and 6)

**C**  **DIRECT ROLLOVER OF PARTIAL BENEFIT.**

I want to rollover a portion of my benefit in the amount of \$ \_\_\_\_\_, directly to the IRA, Roth IRA or Qualified  
(You must enter a dollar amount.)

Employer Plan I have named above in Section 3A. I understand that the portion of my benefit that I do not rollover, will be issued to me directly in the form of a check, and that portion will be subject to federal and state tax withholding (if any).

**D**  **LIFE ANNUITY OPTION**

I understand that the normal form of distribution is a Life Annuity (no minimum number of payments guaranteed)

**SECTION 4—PAYMENT ELECTION FOR NON-SPOUSE BENEFICIARIES (Select A or B)**

**A**  **DIRECT ROLLOVER TO AN INHERITED IRA**

Choose one of the following options:

Rollover to an Inherited Traditional IRA

Rollover to an Inherited ROTH IRA (subject to current taxes—complete withholding elections in Sections 5 and 6)

***INHERITED IRA INFORMATION***

Any part of my account in this Defined Contribution Fund which is eligible for rollover should be directly rolled over to my INHERITED IRA, as I have indicated in this section.

NAME AND ACCOUNT # OF IRA: \_\_\_\_\_

MAILING ADDRESS OF PAYEE - ADDRESS WHERE CHECK SHOULD BE MAILED \_\_\_\_\_

**B**  **ISSUE CHECK DIRECTLY TO ME (Subject to tax withholding—complete Sections 5 and 6)**

**C**  **DIRECT ROLLOVER OF PARTIAL BENEFIT.**

I want to rollover a portion of my benefit in the amount of \$ \_\_\_\_\_, directly to the IRA, Roth IRA or Qualified  
(You must enter a dollar amount.)

Employer Plan I have named above in Section 4A. I understand that the portion of my benefit that I do not rollover, will be issued to me directly in the form of a check, and that portion will be subject to federal and state tax withholding (if any).

**SECTION 5—FEDERAL TAX WITHHOLDING**

**A. Roth IRA Rollover.** If you elected to roll over your balance to a Roth IRA in Section 3 or Section 4 above, federal withholding is not mandatory.

I want \_\_\_\_\_% or \$ \_\_\_\_\_ withheld for federal income tax.

I do NOT want to have federal income tax withheld from my benefit payment.

Note that if you elect federal income tax withholding on a rollover to a Roth IRA, you will receive a second 1099-R for the withholding amount. If you are under age 59 ½ and you elect withholding on a rollover to a Roth IRA the withheld amount may be subject to a 10% federal early distribution penalty and a state tax penalty where applicable. Consult with your tax advisor to understand the tax implications for you.

**B. Direct Payment to You.** If you elected to have a check made payable to you in Section 3 or Section 4 above, any part of your distribution that is eligible for rollover is subject to mandatory 20% federal withholding.

In addition to the mandatory 20% federal withholding I want \_\_\_\_\_% or \$ \_\_\_\_\_ withheld for federal income tax.

## SECTION 6—STATE TAX WITHHOLDING

STATE TAX WITHHOLDING: CA State tax will be withheld according to the rules and rates in effect at the time of your distribution. CHECK ONLY ONE:

I do  I do NOT want to have CA state income tax withheld from my benefit payments.

## SECTION 7—NOTICE TO ALL PAYEES REGARDING WITHHOLDING

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.

## SECTION 8—WAIVER OF THIRTY DAY NOTIFICATION AND WAITING PERIOD

The IRS requires a thirty-day waiting period following receipt of the tax notice. The purpose of this waiting period is to allow you sufficient time to review tax options before taking a distribution. Generally, neither a direct rollover nor a payment can be made from the Plan until at least 30 days after your receipt of the tax notice. Thus, after receiving the notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over.

**If you do not wish to wait until this 30-day notice period ends before your election is processed**, you may waive the notice period by making an affirmative election by placing a check mark in Box **[A]** below and by signing the *Distribution Consent* in Section 9. Your distribution will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

I received the notices on (mm/dd/yy) \_\_\_\_\_, and

CHECK ONLY ONE:

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

## SECTION 9—BENEFICIARY DISTRIBUTION CONSENT

I have read and understand the attached "Your Rollover Options" Notice. In addition, I understand that it is my responsibility to obtain all necessary information from the IRA institution for a direct rollover. I certify that (i) this information is correct and (ii) the IRA will accept a direct rollover whether in cash or in kind (i.e. property other than cash). I acknowledge that I have been advised to consult a tax advisor regarding any tax consequences this distribution may have.

I have read and understand all the notices presented and if I had any questions, I have asked them of the Plan Administrator and/or the Trustees and have received acceptable answers. Upon payment in full of my benefit (account) in the plan, I release the Plan Administrator, the Trustees and my Employer from and against any and all claims I may have or hereafter claim to have against said Administrator, Trustee or Employer, but only with respect to my interest in said Plan. Nothing contained in this release is intended to relieve any fiduciary of an obligation or duty under ERISA, or to violate the provisions of Section 410 of ERISA.

I understand that if the vested value of my benefit is less than \$1,000 and I do not return this Distribution Election Form within 30 days, I may automatically be paid a lump sum payment in cash and all required (federal and state) income taxes will be withheld.

I hereby authorize payment or retention of my vested account balance as indicated above.

I HAVE ATTACHED A CERTIFIED COPY OF THE DEATH CERTIFICATE.

**X**

\_\_\_\_\_  
Signature of Beneficiary

\_\_\_\_\_  
Date

- RETURN pages 1-3 to the Southern California Pipe Trades Administrative Corporation (address on page 1).
- SAVE pages 5-10 for your records.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Inland Refrigeration and Air Conditioning Retirement Trust (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 and not from a "designated Roth account" because the Plan does not contain designated Roth contributions, rollovers, or earnings. .

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.

- (1) If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.
- (2) 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)
- Corrective distributions of contributions that exceed tax law limitations

#### **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

#### **RETAIN FOR YOUR RECORDS**

**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 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). California imposes a 2% state tax penalty for withdrawals if you are under age 59½. Withholding of California State tax is optional. The early withdrawal penalty rules vary from state to state. You should consult a properly qualified tax expert who knows about your state's tax rules before taking any decision relative to this Notice.

### **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, 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**

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over will be taxed.

However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

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, Individual Retirement Arrangements (IRAs).

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

### **IF YOUR 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 do 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.

#### **RETAIN FOR YOUR RECORDS**

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 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 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 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.**

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

#### **Other special rules**

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

If your payments for the year are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover. A mandatory cash-out of \$1,000 or less from the Plan will generally be paid directly to you in a single lump sum with proper tax withholding.

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 payer, 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, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

## DESCRIPTION OF LIFE ANNUITY / JOINT AND SURVIVOR ANNUITY

As a Participant in your Employer's Qualified Retirement Plan, if you have accumulated a benefit of \$5,000 (\$3,500 may apply to some plans) or more, your benefit will be paid to you under the provisions of the Plan. Details concerning these benefits are as follows.

This notice will explain to you the life annuity and the joint and survivor annuity, which are the forms in which your benefits will be paid unless you make the election provided for in this notice.

If you are unmarried, the plan provides that your benefit must be paid in the form of a life annuity, unless you validly elect another form of payment. A life annuity is a level monthly payment for your lifetime, with no payment continuing after your death to your beneficiary. These payments are guaranteed for your lifetime.

If you are married, the plan provides that your benefit must be paid in the form of a joint and survivor annuity, unless you validly elect another form of payment. A joint and survivor annuity form of payment provides you with a monthly payment for your life, and, upon your death, a monthly payment during your spouse's life equal to at least 50% of the monthly payment you received prior to your death. These payments are guaranteed for the lifetime of you and your spouse. Because your spouse will receive at least 50% survivor payment, the relative financial effect of a joint and survivor annuity is to reduce the monthly payments you would otherwise have received had payments been made to you as a single life annuity.

Unless you elect otherwise, the Plan Administrator will use your vested account balance to purchase either a joint life annuity, if you are married, or a life annuity, if you are unmarried, from an insurance company. The Trustee will then distribute the contract to you as evidence of your right to receive the annuity payments from the insurance company.

The actual level monthly payments made under the annuity contract will depend on the annuity purchase rates used by the insurance company, your age and, if you are married, your spouse's age at the time payments commence, and the amount of your vested account balance at the time the Trustee purchases the annuity contract. The Trustee will charge your account for the cost incurred incident to the purchase of the annuity contract.

To determine the approximate level monthly payments you will receive under any of these annuity options as of your proposed distribution date, divide your vested account balance by the annuity factor below which most closely approximates your situation. Determine your age as of the birth date nearest the proposed distribution date. You may obtain a more accurate factor from the Plan Administrator.

### **Annuity Factor Table**

<b>Married50% J&amp;S</b>		<b>Unmarried</b>	<b>Life</b>
<b>Participant's</b>	<b>Annuity</b>	<b>Participant's</b>	<b>Annuity</b>
<b>Age</b>	<b>Factor</b>	<b>Age</b>	<b>Factor</b>
55	164.31	55	155.63
56	162.19	56	153.26
57	160.01	57	150.81
58	157.70	58	148.25
59	155.31	59	145.60
60	152.81	60	142.85
61	150.22	61	140.01
62	147.52	62	137.07
63	144.74	63	134.05
64	141.86	64	130.94
65	138.87	65	127.75

NOTE: These annuity factors have been based on the 1983 GAM-UNISEX mortality tables, assuming a 6% interest rate. It is assumed that the spouse is the same age as the participant. The insurance company from which the Plan Administrator purchases the annuity contract may use different factors. Different factors will produce a different monthly payment.

The quotient of your annuity factor divided into your Vested Account Balance represents the approximate monthly payment you will receive during your lifetime if you elect to commence distribution on the proposed distribution date. If you are married, one-half of the quotient represents the approximate monthly payment your spouse will receive after your death, if your spouse survives you.

For example, if you and your spouse both are 65, your Vested Account Balance is \$10,000 and you elect the Joint and 50% Survivor Annuity, your approximate monthly payment is \$72.01 ( $\$10,000 \div 138.87$ ) and, if your spouse survives you, the approximate monthly payment to your surviving spouse is \$36.01. If you are unmarried, age 65, and your vested account balance is \$10,000, your approximate lifetime monthly payment is \$78.28 ( $\$10,000 \div 127.75$ ).

The Plan will, upon request, provide a more precise calculation and explanation of the financial effect of electing an annuity form of benefit, rather than a single lump sum payment, that takes into consideration the actual account balance and ages of the participant and spouse, as applicable.

You may elect in writing not to receive your benefits in the form of either a joint and survivor annuity or a life annuity. You must make this election during the 90 day period before your benefits are due to be paid. However, if you are married, your spouse must consent in writing before a Plan representative or notary public to your election. You may also revoke this election before your benefits begin.

In the event you and your spouse elect to waive the joint and survivor annuity, or if you are unmarried, the life annuity form of payment, your benefits will be distributed in an alternative method. These alternative methods are described in your Summary Plan Description. You may also consult your Plan Administrator for details.

**NOTE: Your signature on page 3 above constitutes certification that you have read this notice and that you understand your rights and obligations regarding the joint and survivor annuity or life annuity form of payment, and that if you had any questions or were interested in the annuity options you have contacted the Plan Administrator prior to making a benefit election in order that the actual amount of your monthly annuity could be obtained from an insurance company.**

**RETAIN FOR YOUR RECORDS**



## **SPOUSE'S EXPLANATION OF QUALIFIED JOINT AND SURVIVOR ANNUITY (QJSA)**

### **1. *What is a Qualified Joint and Survivor Annuity (QJSA)?***

Federal law requires the Plan to pay retirement benefits in a special payment form unless your spouse chooses a different payment form and you agree to that choice. This special payment form is often called a "qualified joint and survivor annuity" or "QJSA" payment form. The QJSA payment form gives your spouse a monthly retirement payment for the rest of his or her life. This is often called an "annuity." Under the QJSA payment form, after your spouse dies, each month the plan will pay you 50% of the retirement benefit that was paid to your spouse. The benefit paid to you after your spouse dies is often called a "survivor annuity" or a survivor benefit." You will receive this survivor benefit for the rest of your life.

#### *Example*

Pat Doe and Pat's spouse, Robin receive payments from the plan under the QJSA payment form. Beginning after Pat retires, Pat receives \$600 each month from the plan. Pat then dies. The plan will pay Robin \$300 a month for the rest of Robin's life.

### **2. *How Can Your Spouse Change the Way Benefits are Paid?***

Your spouse and you will receive benefits from the plan in the special QJSA payment form required by federal law unless your spouse chooses a different payment form and you agree to the choice. If you agree to change the way the plan's retirement benefits are paid, you give up your right to the special QJSA payments.

### **3. *Do You Have to Give Up Your Right to the QJSA Benefit?***

Your choice must be voluntary. It is your personal decision whether you want to give up your right to the special QJSA payment form.

### **4. *What Other Benefit Forms Can My Spouse Choose?***

If you agree, your spouse can choose to have the retirement benefits paid in a different form. Other payment forms may give your spouse larger retirement benefits while he or she is alive, but might not pay you any benefits after your spouse dies.

#### *Example of Lump Sum Payment Form*

Pat and Robin Doe agree not to receive the special QJSA payments and decide instead that Pat will receive a single payment equal to the value of all of Pat's retirement benefits. In this case, no further payments will be made to Pat or Robin.

If you agree, your spouse can name someone other than you to receive all or a part of the survivor benefits from the plan after your spouse dies. The person your spouse selects to receive all or part of the survivor benefits is often called a "beneficiary." If you agree to let your spouse name someone else as the beneficiary for all of the survivor benefits, you will not receive any payments from the plan after your spouse dies. If you agree to let your spouse name someone else as the beneficiary for a part of the survivor benefits, your survivor benefits will be less than you would have received under the special QJSA payment form.

### **5. *Can Your Spouse Make Future Changes If You Sign the Spouse's Consent Section on Page 4 Above?***

If you sign the consent, you agree that benefits under the plan will be paid in the form stated above. Your spouse cannot change the payment form unless you agree to the change by signing a new agreement. However, your spouse can change to the special QJSA payment form without getting your agreement.

### **6. *Can You Change Your Mind After You Sign the Spouse's Consent Section?***

You cannot change this agreement after you sign it. Your decision is final.

### **7. *What Happens to this Agreement If You Become Separated or Divorced?***

Legal separation or divorce may end your right to survivor benefits from the plan even if you do not sign the Spouse's Consent section. However, if you become legally separated or divorced, you might be able to get a special court order (which is called a qualified domestic relations order or "QDRO") that would give you rights to receive retirement benefits even if you sign the Spouse's Consent section. If you are thinking about separating or getting a divorce, you should get legal advice on your rights to benefits from the plan.

### **8. *What Should You Know Before Signing the Spouse's Consent Section?***

This is a very important decision. You should think very carefully about whether you want to sign the consent section. Before signing, be sure that you understand what retirement benefits you may get and what benefits you will no longer be able to receive.

Your spouse should have received information on the types of retirement benefits available from the plan. If you have not seen this information, you should get it and read it before you sign the consent section. For additional information, you can contact the Plan Administrator.

## **SPECIAL NOTICE TO NON-SPOUSE BENEFICIARIES**

If you are NOT the spouse of the deceased participant, then all or part of any benefit you receive from the Plan may be eligible for a DIRECT ROLLOVER by the Plan Administrator to an "INHERITED IRA." If a payment is eligible for a Direct Rollover, you have the option of having the payment made as a Direct Rollover to an IRA or as a direct payment to you.

An individual retirement account or annuity is treated as an INHERITED IRA if:

1. The individual for whose benefit the account or annuity is maintained acquired the account by reason of the death of a Participant of the Plan; and
2. Such individual was not the surviving spouse of the Participant.

By having your benefit transferred to an INHERITED IRA, you may postpone taxation of this benefit until it is paid directly to you.

(Note that a former spouse of a Participant who is an “alternate payee” of the Participant will not be treated as a non-spouse beneficiary. You are an alternate payee if your interest in the Plan results from a “qualified domestic relations order,” which is an order issued by a court, usually in connection with a divorce or legal separation. A former spouse of a Participant who is an “alternate payee” has the same rollover rights as the Participant’s spouse.)

Below is a more detailed explanation of your options and the effect of a Direct Rollover. If you have additional questions after reading this notice, you can contact the Plan Administrator as listed on page 1.

## **SUMMARY**

**Payment From This Plan.** There are two ways you will be able to receive a Plan payment that is eligible for rollover:

1. The payment can be made directly to an INHERITED IRA that you establish; or
2. The payment can be PAID DIRECTLY TO YOU.

**Rollover to an Inherited IRA.** If you choose a DIRECT ROLLOVER to an INHERITED IRA:

- Your payment will not be taxed in the current year.
- The taxable portion of your payment will be taxed later when you take it out of your INHERITED IRA.

**Payments Made Directly to You.** If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- Your distribution will be taxed at the applicable rate as necessary to comply with IRS requirements. Any amount withheld from your distribution by the Plan will be sent to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the year the payment is made to you unless you roll it over.
- Once you receive the payment, you will not be able to transfer it to an Inherited IRA to avoid these income tax results.

**Your Right to Waive the 30-Day Notice Period.** Generally, a direct rollover can’t 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 the 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

## **ADDITIONAL INFORMATION**

### **I. Payments That Can and Cannot be Rolled Over**

Payments from this Plan may be “eligible rollover distributions.” This means, in the case of a non-spouse beneficiary of a deceased Participant, the payments can be directly rolled over to an Inherited IRA.

**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 a period measured by your life expectancy), or
- A period of 10 years or more.

The Plan Administrator of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.

### **II. More Rules About Direct Rollovers**

**DIRECT ROLLOVER to an INHERITED IRA.** As a non-spouse beneficiary of a Plan Participant, you can open an Inherited IRA to receive the direct rollover. If you choose to have your payment made directly to an Inherited IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an Inherited IRA at that institution.

**DIRECT ROLLOVER of a Series of Payments.** If you receive a payment that can be rolled over to an Inherited IRA, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

### **Treatment after DIRECT ROLLOVER from this Plan**

In the event you choose to have a distribution from the Plan directly rolled over, you should keep in mind the following:

- A non-spouse beneficiary may only have his or her distribution rolled over into an Inherited IRA and cannot roll a distribution into another employee plan or any other type of IRA.
- The Inherited IRA of a non-spouse beneficiary must make distributions according to the same required minimum distribution rules that apply to distributions to a non-spouse beneficiary under this Plan. In general, this means that the balance of your Inherited IRA must be distributed in installments over your life or life expectancy commencing by the end of the calendar year after the Participant’s death or will have to be distributed in its entirety by the end of the 5<sup>th</sup> calendar year following the year the Participant died. You should request that the sponsor of an Inherited IRA explain how and when you must be receiving distributions from the Inherited IRA.
- A non-spouse beneficiary cannot make a subsequent rollover distribution out of an Inherited IRA. Moreover, a non-spouse beneficiary must keep his or her Inherited IRA separate from any other IRA.

#### **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 may want to consult with the Plan Administrator or a professional tax advisor before you take payment of your benefits from your Plan.