

## Distribution Due to Divorce

RiverSource Contract Number



- **If you are a client of Ameriprise Financial, do not use this form.** Please contact your Ameriprise financial advisor or call 1-800-862-7919 for a copy of the correct form.
- For questions regarding the completion of this form, call our office at 1-800-333-3437.
- If this account is a Tax Sheltered Annuity (TSA), the Special Tax Notice must be retained by the client.
- Ex-spouse refers to the ex-spouse of the contract owner of record.
- If you need to change the ownership or taxpayer on the existing contract, use the Transfer of Ownership form (Form 37879) located on [riversource.com/forms](http://riversource.com/forms).
- Ownership changes are not permitted for inherited nonqualified stretch annuities. The only distribution option is to take a full or partial surrender.
- Plan sponsor/administrator(s) must sign this request when a TSA plan is governmental or subject to the Employee Retirement Income Security Act (ERISA) to certify the domestic relations order is qualified per their duty as the plan administrator.



**A certified copy of the divorce decree must be included that specifically references the RiverSource Life Insurance Company (RiverSource Life) contract number and clearly states the dollar amount or percentage of the contract to be transferred to the ex-spouse.**

### Part 1 Owner Information

Owner Name

Co-Owner Name

### Part 2 Withdrawal Instructions

- Contractual surrender charges will apply to all withdrawals.
- Full withdrawals: The ex-spouse will receive the full contract value, minus the surrender charges, if any.
- Partial withdrawals: If an option below is not selected, surrender charges will default to the ex-spouse (non-contract owner's) share.
- Verify the withdrawal provisions and conditions of your contract prior to making selection. Make sure you understand the impact taking this withdrawal will have on your rider benefit values. Certain riders contain features that may be negatively impacted by taking a withdrawal.

Percentage or dollar amount to be withdrawn or transferred:  % or \$

Values shall be determined based on date of processing. Any past date values or interest must be calculated by you.

*Withdrawal Instructions continued on next page...*

Withdrawal Instructions continued

Select whose share the surrender charges should be taken from, if applicable.

**Ex-spouse's share**

Partial withdrawal based on a dollar amount or percentage as indicated above. Surrender charges are taken out of the ex-spouse's share: Requested amount will be withdrawn and any surrender charges will be taken out of that requested amount. The ex-spouse will receive the dollar amount requested minus any surrender charges.

**Current contract holder's share**

Partial withdrawal based on a dollar amount or percentage as indicated above. Surrender charges are taken out of the current contract holder's share: Requested amount will be withdrawn and any surrender charges will be added to the requested dollar amount. The ex-spouse will receive the dollar amount requested. The total amount withdrawn will be higher than the requested dollar amount to account for any surrender charges.

**Split surrender charges**

The surrender charges will be split proportionally to how the contract is divided.

**Part 3 Settlement Instructions (Select one)**

- **If the distribution is being applied to a new annuity**, an application must be attached. In addition, the ex-spouse will receive a new contract which means that the surrender charge schedule will start over for the ex-spouse. A free-look option is not available when a new contract is activated due to a divorce. If the account is an existing annuity, the proceeds will be applied as a premium or add-on payment and any applicable surrender charge schedule for that payment will begin.
- **If the distribution is being applied to an account at another financial institution**, a transfer form from the other financial institution must be provided to us that identifies the type of account to which the funds will be moved as well as a letter of acceptance from the other financial institution acknowledging that they will assume custodial responsibilities for the account.

**Non-Qualified Annuities Only**

Check to ex-spouse (Complete Part 4)

Full or Partial 1035 Exchange

- A new nonqualified annuity application must be submitted in the ownership of the final intended owner.
- A partial 1035 Exchange will require a Transfer of Ownership form.
- A 1035 exchange is not a taxable event but will be reported on IRS Form 1099-R.

**Select one:**

**Full 1035 Exchange to a New Annuity Contract - Ex-Spouse Taking Ownership of New Annuity**

Note: This selection will result in the full surrender of your existing annuity contract. The redemption of an annuity may result in surrender charges, rider charges, and contract fees. In addition, establishing a new annuity may result in a new surrender charge schedule. If you wish to request a change of ownership of the existing annuity instead, use the Transfer of Ownership form.

By signing this form, the owner of the existing annuity contract is authorizing the following:

- Once the application has been completed, a new annuity contract will be established in your name.
- A full 1035 exchange will be processed from your existing annuity into the new annuity, closing your existing contract.
- The ownership of the new annuity will then be changed to that of your ex-spouse.

By signing this form, the ex-spouse is authorizing the following:

- Once the application has been completed, the contract has been established, and the 1035 exchange has funded it, you will become sole owner of a new annuity contract.

**Partial 1035 Exchange to a New Annuity Contract - Ex-Spouse Taking Ownership of New Annuity**

By signing, the owner of the existing annuity contract is authorizing the following:

- Once the application has been completed, a new annuity contract will be established in your name.
- A partial 1035 exchange will be processed from your existing annuity into the new annuity.
- The ownership of the new annuity will then be changed to that of your ex-spouse.
- You will retain ownership of your existing annuity.

Settlement Instructions continued on next page...

**Settlement Instructions** continued

By signing, the ex-spouse is authorizing the following:

- Once the application has been completed, the contract has been established, and the 1035 exchange has funded it, you will become sole owner of a new annuity contract.

By signing, both the owner of the existing annuity and the ex-spouse acknowledge that:

- A withdrawal from either the new or the existing annuity during the 180-day period following the partial 1035 exchange may result in adverse tax consequences for one or both annuity owners, as described in IRS Revenue Procedure 2011-38. In this situation, the IRS tax treatment may be different than what is reported on Form 1099-R.
- A tax advisor and the other annuity owner should be contacted before any withdrawals are taken from either annuity contract during the 180-day period.

**Partial 1035 Exchange to a New Annuity Contract - Ex-Spouse Taking Ownership of Existing Annuity**

By signing, the owner of the existing annuity contract is authorizing the following:

- Once the application has been completed, a new annuity contract will be established in your name.
- A partial 1035 exchange will be processed from your existing annuity into the new annuity.
- The ownership of the remaining balance of your existing annuity will then be changed to that of your ex-spouse.
- You will retain ownership of the new annuity contract.

By signing this form, the ex-spouse is authorizing the following:

- After the 1035 exchange is processed, you will become sole owner of the existing annuity contract.

By signing this form, both the owner of the existing annuity and the ex-spouse acknowledge that:

- A withdrawal from either the new or the existing annuity during the 180-day period following the partial 1035 exchange may result in adverse tax consequences for one or both annuity owners, as described in IRS Revenue Procedure 2011-38. In this situation, the IRS tax treatment may be different than what is reported on Form 1099-R.
- A tax advisor and the other annuity owner should be contacted before any withdrawals are taken from either annuity contract during the 180-day period.

**IRA Annuities Only**

Transfer to an IRA is not a tax-reportable event, if done pursuant to a divorce decree.

- Check to ex-spouse (Complete Part 4)
- Transfer to a new or existing IRA *RiverSource*® annuity in the name of the ex-spouse

**Account Number**

- Transfer to ex-spouse's IRA at another financial institution

**TSA Annuities Only**

- The Special Tax Notice attached to this form must be retained by the client.
- Transfer to a TSA is not a tax-reportable event, if done pursuant to a divorce decree.
- Rollover to an IRA will be reported on IRS Form 1099-R. The contribution to the ex-spouse's IRA will be designated as a rollover and will be reported on IRS Form 5498 under the ex-spouse's Taxpayer Identification Number (TIN).

- Check to ex-spouse (Complete Part 4)
- Rollover to a new or existing IRA *RiverSource* annuity in the name of the ex-spouse

**Account Number**

*Settlement Instructions* continued on next page...

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**Settlement Instructions** continued

Transfer to a new or existing TSA *RiverSource* annuity in the name of the ex-spouse

**Account Number**

Transfer or Rollover to ex-spouse's TSA or IRA at another financial institution

**Part 4** **Delivery Instructions** (*Check to ex-spouse only*)

- **Direct deposit is not an option.**
- The contract assets are partially or fully withdrawn and distributed directly to the ex-spouse via check.
- Complete the Tax Withholding Instructions below.

Name of ex-spouse

Mailing Address

City

State

ZIP Code

**Tax Withholding Instructions**

RiverSource Life will report this as a taxable event to the current assigned taxpayer, even if both parties request otherwise. To change the assigned taxpayer on a joint annuity, you must complete the Transfer of Ownership form prior to submitting this request. The tax reporting cannot be split between joint owners.

- **Federal Withholding:** You are liable for federal income tax on the taxable portion of your distribution. If total withholding is not adequate, you may be subject to estimated tax payments and/or penalties.
- **State Withholding:** Withholding rules vary by state. Clients may have the option to: (1) opt-out of withholding, (2) elect default state tax withholding, or (3) increase the rate of withholding. Depending on the state, state tax withholding could be mandatory, optional, unavailable, or the client may need to complete a state-specific form. For state tax withholding rules, go to [riversource.com/statetax](http://riversource.com/statetax).
- Please note that taxes withheld per your elections or in accordance with state rules will not be refunded. Withholding choices are not generally available if your distribution is an eligible rollover distribution from certain employer sponsored plans. For eligible rollover distributions, 20% federal withholding will apply even if you indicate otherwise.
- Different withholding rules apply in certain situations: If we do not have a valid Taxpayer Identification Number on the account, if the payment is delivered outside the United States or if you are a non-resident.
- For all tax-qualified annuities: Withholding is taken from the total amount distributed.
- For nonqualified annuities: Withholding is taken from the taxable amount distributed.
- Please consult your tax professional for additional information regarding federal and/or state withholding.

**Federal Withholding**

- If you are under 59 ½ and your withdrawal includes taxable income, an IRS early withdrawal penalty may apply.
- 10% federal tax will be withheld from the conversion amount unless you make a different withholding election below.

**Important IRS Federal Withholding changes**

- Effective January 1, 2023, regulations require use of a Form W-4R, signed by the taxpayer or authorized signer, to choose a federal withholding standing election at a rate other than the default rate of 10%.
- If 10% withholding is not preferred, you may request 0% federal withholding without a Form W-4R by indicating your choice below.

*Withholding Instructions continued on next page...*

**Withholding Instructions** continued

For federal withholding rates other than 0% or the 10% default federal rate:

- The account's taxpayer may establish a federal withholding percentage using the W-4R Federal Withholding Instruction for RiverSource form (Form 117574). This form may be obtained at: [riversource.com/forms](http://riversource.com/forms).
- **Do not attach a Form W-4R form to this distribution request.** The Form W-4R must be on file with RiverSource before it can be used during a distribution.
- Current federal standing elections can be confirmed by contacting us.

**Federal Tax withholding**

- Withhold 0% federal tax
- Withhold 10% federal tax (If you check this box but already have a Form W-4R on file at RiverSource, the percent on your current Form W-4R will be used for processing the distribution.)
- Withhold at the rate on the Form W-4R already on file with RiverSource (If this box is checked and no Form W-4R is on file for this percentage, RiverSource must withhold the 10% default federal tax.)

NOTE: If you would like to withhold at a different rate than what is already on file with RiverSource, you must submit a new Form W-4R prior to submitting this distribution; do not attach a Form W-4R to this distribution request.

**State Withholding**

- If you don't indicate an election, we'll generally follow your choice for federal election unless your state does not allow.
- No state tax withholding will be taken for states where withholding is not available.
- The taxpayer's resident state on file is the state we use for state tax withholding.

Do not withhold state tax     Withhold default state tax     Withhold  % state tax

## Part 5 Acknowledgements and Signatures



Definitions used in this section: "We" and "us" refers to the contract owner and ex-spouse.

- If you own an annuity with a withdrawal benefit rider, you understand the terms of the rider regarding surrenders and changing ownership. Surrendering money or changing owners may impact the guaranteed benefits provided by the rider.
- **If you have an annuity with a withdrawal benefit rider and you take a withdrawal that is higher than the maximum guaranteed amount, it is considered an "excess withdrawal." An excess withdrawal could permanently decrease your guaranteed income and benefit values.** If you would like to make a withdrawal and are uncertain of whether it would be considered an excess withdrawal or would like to see how an excess withdrawal will impact your future guaranteed income and benefit values, please call a Client Service Representative at 1-800-333-3437 to request a personalized calculation showing the effect of the withdrawal prior to submitting this request. If you do not contact us prior to submitting this form and the amount you have requested will result in an excess withdrawal, we will require that you complete the "Benefit Impact Acknowledgement Form" before processing can occur.
- If your annuity has a withdrawal benefit rider with the Base Doubler feature, any withdrawal taken (including distributions due to divorce) before the Base Doubler effective date will permanently set the Base Doubler value to \$0.
- If you have a variable annuity with the *SecureSource*<sup>®</sup> rider, *SecureSource*<sup>®</sup> Flex rider, *SecureSource Stages*<sup>®</sup> rider, or *SecureSource Stages 2*<sup>®</sup> and are invested in the Portfolio Navigator Aggressive or Moderately Aggressive fund, taking this withdrawal will move the contract into the Moderate fund. Once you take a withdrawal you may invest in the Portfolio Navigator Conservative, Moderately Conservative, or Moderate fund without affecting your guaranteed benefit values. If you take this withdrawal and later choose to move to one of the more aggressive Portfolio Navigator funds, your guaranteed benefit values will be reset based on the lesser of your contract values or your guarantees at that time. You also have the option to transfer to any Portfolio Stabilizer fund. You can invest in any Portfolio Stabilizer fund while taking withdrawals without impacting your guaranteed benefit values. **It's important to note that if you transfer to one or more Portfolio Stabilizer fund(s), you will not be able to transfer back to any of the Portfolio Navigator funds.**
- In the event of an IRS finding that we are liable for taxes and/or penalties and/or interest or if any other detriment is incurred by us as a result of this transaction, we will not hold RiverSource Life liable. We further agree to indemnify RiverSource Life for any tax penalty that may be incurred as a result of this transaction.
- If we are making claim to a 403(b), we have read the "Special Tax Notice for Plan Distributions" and we understand that we have the right to consider the decision of whether or not to consent to a distribution and/or to elect a direct rollover for at least 30 days. We further understand that if I submit a completed Distribution Form before the 30 day period expires, we will have waived these rights and processing of my distribution request will begin upon receipt.
- By signing this form, all parties agree that the information provided complies with their understanding of the terms of their divorce decree, property settlement agreement and/or qualified domestic relations order (QDRO), and that RiverSource Life and their personal financial advisor, will not be responsible for settling any disputes that may arise after the account indicated on this form has been distributed according to the information provided on this form.
- We request, authorize and direct RiverSource Life to accomplish the surrender based on the information contained in the other parts of this form. We understand that RiverSource Life will take no action if the divorce decree/QDRO in any way conflicts with the information provided on this form or is not clear regarding how the divorce affects the annuity named on this form.

*Acknowledgements and Signatures continued on next page...*

**Acknowledgements and Signatures** continued

**The Internal Revenue Service does not require your consent to any provision of the document other than the certifications required to avoid backup withholding.**

Note: Owner(s) and Ex-Spouse signatures are required.

Owner Name  Owner Social Security Number

Owner Signature  Date (MMDDYYYY)

Co-Owner Name  Co-Owner Social Security Number

Co-Owner Signature  Date (MMDDYYYY)

Ex-Spouse Name  Ex-Spouse Social Security Number

Ex-Spouse Signature  Date (MMDDYYYY)

For TSA's that are subject to the Employee Retirement Income Security Act (ERISA), the plan sponsor's signature is required.

If you are unsure if your plan is subject to ERISA, check with your plan sponsor. (Usually your employer).

Generally:

- 403(b) plans sponsored by a governmental entity such as a public school or university are not subject to ERISA.
- 403(b) plan sponsored by a church or qualified church controlled organization are generally not subject to ERISA, however some exceptions may apply.
- 403(b) plans sponsored by a 501(c)(3) (non-profit) organization may be subject to ERISA depending on the design and operation of the plan.

**For TSA's only**

"You" refers to the Plan Administrator. "We" refers to RiverSource Life.

If your 403(b) plan is governmental or subject to ERISA and the qualifying event is a divorce distribution, we have received a domestic relations order which is a legal order that splits and changes ownership of the 403(b) plan to give the divorced spouse their share of the assets. By signing and approving the requested transaction, you are certifying that the domestic relations order is qualified per your duty as the plan administrator.

Plan Sponsor/Third Party Administrator Name

Plan Sponsor/Third Party Administrator Entity Name

Plan Sponsor/Third Party Administrator Signature  Date (MMDDYYYY)



# **SPECIAL TAX NOTICE FOR PLAN DISTRIBUTIONS**

For Payments Not From a Designated Roth Account

## **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the 403(b) annuity or custodial account relating to your employer's plan (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 in some employer plans that is subject to special tax rules). 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 (generally, distributions made before age 59½), 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 to the 10% additional income tax applies).

### **What types of retirement accounts and plans may accept my rollover?**

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, IRAs are not subject to spousal consent rules, 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 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.

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. Generally, 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 (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, 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 joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death;
- Hardship distributions;
- Payments of employee stock ownership plans (ESOP) dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of the first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA); and
- Distributions of certain premiums for health and accident insurance.

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 applies to the part of the distribution that you must include in income and 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 joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;

Do not send to Home Office



- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- 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;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters; and
- Phased retirement payments made to federal employees.

#### **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 on the part of the distribution that you must include in income, 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:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply;
- 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); and
- 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.
- Additional exceptions apply for payments from an IRA, including:
  - Payments for qualified higher education expenses;
  - Payments up to \$10,000 used in a qualified first-time home purchase, and
  - 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 address any State or local income tax rules (including withholding rules).

## **SPECIAL RULES AND OPTIONS**

#### **If your payment includes after-tax contributions**

After-tax contributions included in a payment are not taxed. If you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

#### **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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, 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 your payment includes employer stock that you do not roll over**

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or, generally, the plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

**If you have an outstanding loan that is being offset**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

**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 your payment is from a governmental section 457(b) plan**

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

**If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance**

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

**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. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

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 do a rollover to a designated Roth account in the Plan** You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies). If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both 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 this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account 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).

**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 and the special rules for public safety officers 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 deceased 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 were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

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 the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

**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 QDRO. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that 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). However, 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 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 (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 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 on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at [www.irs.gov](http://www.irs.gov).

**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](http://www.irs.gov), or by calling 1-800-TAX-FORM.