RiverSource Life Insurance Company 829 Ameriprise Financial Center, Minneapolis MN 55474

RiverSource Annuities

Transfer/Rollover/Exchange to a RiverSource Annuity

- **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 the following number 1-800-333-3437.

Owner Social Security Number

Existing RiverSource Contract Number (if applicable)

Part 1 Surrendering Company Information

Name of Surrendering Company

Name of Contact Person (if applicable)

Surrendering Company's Street Address

City

State

ZIP code

Telephone Number

Account / Contract / Policy Number being transferred or exchanged

Part 2 Surrendered Account/Contract/Policy Information

Abbreviations SSN and TIN in this section indicate Social Security Number and Taxpayer Identification Number.

Primary Owner Name (First, Middle, Last Name or Corporate Legal Name)

Primary Owner SSN / TIN

Joint or Co-Owner Name (First, Middle, Last Name)

Joint or Co-Owner SSN / TIN

Primary Insured/Annuitant Name (First, Middle, Last Name)

Primary Insured/Annuitant SSN / TIN

Joint Insured/Annuitant Name (First, Middle, Last Name)

Joint Insured/Annuitant SSN / TIN

☐ My contract/policy is enclosed. (If not checked, I certify that my contract has been lost/destroyed.)

Product Type (Select one)

◯ Annuity Contract
◯ Mutual Fund Shares
◯ Insurance Policy
◯ Certificate of Deposit (CD)
◯ Brokerage Account
◯ Other

Part 3 1035 Tax Free Exchange of a Non-qualified Annuity or Life Insurance Policy[1] to a Non-qualified RiverSource Annuity.

I hereby authorize the transfer and assign

◯ 100% of my Contract/Policy
◯ For annuities only: partial amount

$ ____________ or ________ %*

☐ Total contract value available without charge

*If selected, the total contract value available without charge amount will supersede the dollar or percentage entered. Please check with the carrier you are exchanging from to confirm these options are available.

***1035 Tax Free Exchange** continued on next page...*

1035 Tax Free Exchange continued

Into a/an

◯ New Contract ◯ Existing Contract (available only for contracts with applications signed on or after June 16, 2003)

Date to exchange funds

◯ As soon as possible after receipt of all necessary forms ◯ On specific date** (MMDDYYYY) ______

** For initial funding, the date must be within 60 days of the date the application was signed.

Disclosures, Assignments, and Representations for 1035 Tax Free Exchange of Non-Qualified Annuity or Life Insurance Policy

- For certain products, the fixed account interest crediting rate (not including Guarantee Period Accounts (GPA)) is protected for 60 calendar days from the date I sign my annuity application. This guarantees that my initial payment receives the higher interest crediting rate in effect on either the application signed date or the date my annuity was issued. If my annuity is not issued within the 60-day period, RiverSource Life will credit the money I allocate to a fixed account using the interest rate in effect on the date the contract is issued. This crediting interest rate may be more or less than the interest rate in effect when I sign this form. GPA crediting rates do not fall under this protection because they fluctuate with market conditions. In addition, the rates RiverSource Life credits to money allocated to the GPAs in the future may be more or less than the rates in effect when I sign this form. Please contact your financial advisor or the home office for more information.
- I fully assign and transfer all claims, options, privileges, rights, title and interest of either all of the life insurance policy, all of the annuity contract or part of the annuity contract value identified in the Contract Information section on page 1 to RiverSource Life.
- For annuity to annuity partial 1035 exchanges: The investment of the original contract will be allocated proportionately between the original and new contracts. This paragraph applies only to non-qualified annuities, and only if the annuity is or was part of a partial 1035 exchange from one annuity to another annuity. IRS Revenue Procedure 2011-38 states if withdrawals are taken from either annuity within a 180-day period following a partial 1035 exchange, the IRS will apply general tax principles to determine the tax treatment of the previous exchange and the subsequent withdrawal. For example, a distribution from either contract within 180 days of the exchange may result in additional taxable income related to the contracts involved in the exchange. The IRS tax treatment may be different than what is reported on Form 1099-R. A tax advisor should be contacted before any withdrawals are taken from either annuity contract during the 180-day period. This 180-day limitation on withdrawals does not to apply to annuitized amounts if the annuitization is for life/lives or a period of 10 years or more.

Part 4 Transfer to a Non-Qualified Annuity from Other Investments (Example: Mutual Funds, CD or Brokerage Account) to a RiverSource Annuity

I hereby authorize the transfer and assign

◯ 100% of my Account Value

◯ Partial amount $ ______ or ______ %

Date to liquidate and transfer funds

◯ As soon as possible after receipt of all necessary forms ◯ On Specific Date** (MMDDYYYY) ______

** For initial funding, the date must be within 60 days of the date the application was signed.

Disclosures and Representations for Transfers to a Non-Qualified Annuity from Other Investments

- I/We hereby name and appoint RiverSource Life Insurance Company (RiverSource Life) through its duly authorized officers as lawful agent and attorney-in-fact for me/us to liquidate the above indicated investment.
- I/We request that the proceeds be transferred to RiverSource Life. RiverSource Life will apply all such funds to an annuity contract issued to me/us.
- I/We grant RiverSource Life full and total authority to sign all papers and documents and to do all the acts necessary to accomplish the transfer of funds.
- I/We acknowledge that this transaction may be taxable.

Part 5 Transfer/Direct Rollover to a Qualified Annuity[2]

- **As owner of the qualified plan or IRA assets designated below, I hereby authorize the direct rollover/ transfer of such assets to the annuity contract specified herein.**
- If this is a conversion from a traditional IRA, SEP-IRA, or SIMPLE IRA to a Roth IRA or a direct rollover from a Qualified Plan, 403(b)/TSA or a Governmental 457(b) plan to a Roth IRA, I understand that I will owe income tax on all pre-tax assets converted.

Plan type you are moving assets from (Select one)

◯ 401 (a) ◯ Traditional IRA ◯ SEP-IRA ◯ Roth IRA ◯ 401(k)
◯ Roth 401(k) ◯ 403(b)/501(c)(3)* ◯ Roth 403(b)* ◯ SIMPLE IRA ◯ Governmental 457(b) Plan

*For 403(b)/501(c)(3) you must complete the Qualifying Event section below.

Plan type you are moving assets to (Select one)

◯ Traditional IRA ◯ SEP-IRA ◯ Roth IRA ◯ Simple IRA ◯ 403(b)/501(c)(3)

☐ **Check here if this is an Inherited IRA Transfer and complete the following:**

_______________ Inherited IRA as beneficiary of _______________
(My Name) *(Deceased Name)*

Indicate beneficiary distribution option elected for this Inherited IRA. RiverSource Life uses this to determine if withdrawal charges will be waived. I acknowledge that, as the Inherited IRA owner, I continue to be responsible for meeting the minimum distribution requirements.

◯ Five-Year Rule ◯ Life Expectancy Rule (Default)

A copy of the Certified Death Certificate for the original IRA Owner must be submitted with this request.

Amount to be moved

◯ 100% of my account value
◯ Partial amount

$ __________ or __________ %*

☐ Total contract value available without charge (for annuities only)*

* If selected, the total contract value available without charge amount will supersede the dollar or percentage entered. Please check with the carrier you are doing a direct rollover/transfer from to confirm these options are available.

Date to transfer/exchange funds

◯ As soon as possible after receipt of all necessary forms ◯ On Specific Date** (MMDDYYYY) __________

** For initial funding, the date must be within 60 days of the date the application was signed.

Qualifying Event - Required for money coming from a 403(b)/501(c)(3) plan

- Generally, qualifying events must be verified by your 403(b) Plan Sponsor/Employer or their designated Third Party Administrator (TPA). Your Plan Sponsor/Employer or their TPA must approve this transaction request by signing this form in Part 7 or by providing a separate signed approval document.
- The distribution options available to you may be restricted by your employer's 403(b) plan provisions. See your Plan Administrator or Summary Plan Description for further information.

In order to rollover your 403(b) plan, you must have severed from employment or met one of the other qualifying events listed below.

Have you severed from employment?

◯ Yes, severed from employment date (MMDDYYYY) __________
◯ No, I meet one of the qualifying events listed below.

Select your qualifying event and complete any associated requirements:

◯ Normal distribution age 59 1/2
◯ Disability (Attach a completed statement of Disability (Form 273368))
◯ Plan termination

Transfer/Direct Rollover to a Qualified Annuity *continued on next page...*

Transfer/Direct Rollover to a Qualified Annuity continued

Disclosures and Representations for Direct Rollovers/Transfers

- If this amount represents all or part of an eligible rollover distribution, I understand there will be no mandatory 20% Federal Income Tax withholding from this distribution because it is a Direct Rollover to an eligible retirement plan under Section 402(c)(8)(B) of the Internal Revenue Code.
- I realize that I may receive an IRS Form 1099-R on this distribution from my plan.
- If the receiving account is a new IRA contract, I acknowledge that I have received a copy of Your Guide to IRAs and understand the terms contained within it.
- I understand and agree that this distribution may be a taxable event.
- I certify that I am aware of the rules and requirements regarding 403(b) account transfers and exchanges, and have had the opportunity to consult with my personal tax advisor regarding this transaction. I further acknowledge that I may need to request that my employer enter into an information sharing agreement with, or provide other necessary documentation to, RiverSource Life in order to maintain the tax qualified status of my 403(b) account.
- I have read the Special Tax Notice For Plan Distributions and assume full responsibility for this transaction. I understand and agree that I will be liable for any applicable federal and state income taxes, and any applicable penalties.
- **Waiver of 30-day time period. I have read the Special Tax Notice For Plan Distributions and understand that I 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. I further understand that if I submit a completed distribution form before the 30-day period expires, I will have waived these rights and processing of my distribution request will begin upon receipt.**

If converting from a Traditional IRA, SEP-IRA, SIMPLE IRA to a Roth IRA or completing a direct rollover from a Qualified Plan, 403(b)/TSA or Governmental 457(b) plan to a Roth IRA:

- I authorize the custodian, insurance company or trustee to transfer the liquidated assets and send any records or documents needed to complete the conversion or direct rollover to RiverSource Life. If converting from a SIMPLE IRA, I represent that I have participated in the SIMPLE IRA for at least 2 years.
- I assume all responsibility for any tax consequences and penalties that may result from making contributions to, transactions with, and distributions from this Roth IRA.
- I understand that by converting my Traditional IRA, SEP-IRA, SIMPLE IRA to a Roth IRA or completing a direct rollover from a Qualified Plan, 403(b)/TSA or Governmental 457(b) plan to a Roth IRA, I will owe income tax on all pre-tax assets converted or directly rolled over. The decision of whether to convert my Traditional IRA, SEP-IRA, SIMPLE IRA to a Roth IRA or complete a direct rollover from a Qualified Plan, 403(b)/TSA or Governmental 457(b) plan to a Roth IRA was made in light of all relevant financial information and in conjunction with my professional tax advisors.
- If completing a direct rollover from a Roth 401(k) or Roth 403(b) to a Roth IRA, I understand that this rollover may delay the time at which these funds are available on a tax-free basis.
- I represent that I took any required minimum distribution (RMD) for the year of this conversion or direct rollover prior to this conversion or direct rollover.

Part 6 Tax Withholding (Roth Conversions Only)

Direct Conversion from TSA to a Roth IRA

- A direct conversion from a TSA to a Roth IRA results in income tax being due on the taxable portion of the transaction. Please see the Special Tax Notice for Plan Distributions. You should consult with a tax advisor prior to requesting this transaction. There will be no withholding on this request unless you elect withholding below.

Direct Conversion from a Traditional, SEP or SIMPLE IRA to a Roth IRA

- If the amount withheld is to be rolled over to the Roth IRA, the amount withheld will have to be made up from other assets. If taxes are withheld from this distribution, the net conversion amount will be the gross amount requested - (minus) the tax withholding. If your annuity contract is subject to contractual surrender charges and you elect withholding, surrender charges will apply to the amount withheld.
- **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.

***Tax Withholding** continued on next page...*

Tax Withholding continued

- **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.
- **Please note that taxes withheld per your elections or in accordance with state rules will not be refunded.**
- 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 non-qualified 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

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

◯ Do not withhold federal tax ◯ Withhold 10% federal tax ◯ Withhold ______ % federal tax *- must be more than 10%*

State Withholding

- State tax withholding rules may not be available with all financial institutions. For state tax withholding rules, contact them directly.
- If you do not indicate an election, we will 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 default tax ◯ Withhold default state tax ◯ Withhold ______ % state tax

Part 7 Acknowledgments and signatures

The features described below may not be available on all annuity products or in all states. Please discuss the specific features available on your existing and your new annuity contract with your financial professional.

There are several factors to consider before changing from one annuity to another. These include, but are not limited to, the following:

- Any withdrawal charges or other costs I may incur in replacing my current annuity contract.
  The comparative charges, features and benefits of the respective annuity contracts, such as fees and contract charges, living and death benefit features and related guarantee values, minimum fixed interest rate guarantees, payout rates, and tax treatment (as determined by contract issue date).
- The investment options available, the historical investment return/interest rate crediting and my investment goals, objectives, and risk tolerance.
- My need for access to all, or a portion of, the cash value of the new annuity contract during the new withdrawal charge period.
- RiverSource Life does not accept the transfer, exchange or rollover of outstanding TSA loan balances. For TSA to TSA transfers if there is an outstanding TSA loan balance, the loan must be surrendered prior to the account being transferred/rolled over to RiverSource Life. The surrender of the loan could create adverse tax consequences.
- If I have questions about these factors, or other areas that are important to me in making a decision, it is advised that I discuss them with my financial professional before completing the replacement of my existing annuity.
- If I am participating in any investment option programs in my existing annuity such as systematic withdrawals, dollar-cost averaging or asset rebalancing, and wish to continue these investment options on my new annuity contract, service forms will need to be submitted with the application.
- If I elected any optional features/riders in my existing annuity, those features may terminate and need to be reselected on my new annuity application. Pricing and details for these features may differ on the new contract.
- This exchange from my existing RiverSource Life annuity contract to a new RiverSource Life annuity contract is voluntary. RiverSource Life does not endorse or recommend the exchange of my existing annuity.

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

Acknowledgments and Signatures Continued

Additional Information To Know Regarding My Internal Exchange Request:

- If you have an annuity with a guaranteed 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 *RiverSource* annuity has a withdrawal benefit rider with the Base Doubler feature, any withdrawal taken (including RMDs) before the Base Doubler date will permanently set the Base Doubler value to $0.
- For fixed index and structured annuities: Additional purchase payments are limited to the first 90 days after the contract issue date. These payments will be held in an interim account earning daily fixed interest until the next contract anniversary date. On the contract anniversary, the payment will automatically be transferred as follows:
  - Fixed index annuities: Funds will be allocated based on client's election instructions.
  - Structured annuities: Funds will be allocated based on any transfer or rebalancing instructions. If no instructions are provided, the money will be automatically transferred to the fixed account.

Contract Owner Signature
X
Date Signed (MMDDYYYY)

Contract Co-Owner Signature
X
Date Signed (MMDDYYYY)

Spousal Acknowledgement and Signature

Consent of spouse is required for distributions from 403(b) plans that are subject to the Employee Retirement Income Security Act (ERISA). If you are unsure if your plan is subject to ERISA (and consequently spousal consent requirements) check with your plan sponsor. (Usually your employer).

Generally:

- 403(b) plans sponsored by a government entity such as a public school or university are not subject to ERISA.
- 403(b) plans 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.

Spousal Consent

! The spouse's signature must be witnessed by either the Plan Sponsor/Administrator or a Notary Public.

Owner's marital status: ◯ Single ◯ Married ◯ Widowed ◯ Divorced

I understand that, as the owner's spouse, I have certain rights concerning his or her benefits, including the right to receive any death benefits unless I consent to another disposition. I hereby consent to the above requested withdrawal and I acknowledge that this consent will have the effect of waiving any and all rights concerning this withdrawal.

Spouse Name

Spouse Social Security Number

Spouse Signature
X
Date (MMDDYYYY)

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

Acknowledgments and Signatures Continued

Notarization

State of:

Country of:

On ________ , 20 ____ , ________ personally appeared before me,
Month, Date *Yr* *Name of Spouse*

☐ who is personally known to me
☐ whose identity I proved on the basis of
☐ whose identity I proved on the oath/affirmation of a credible witness ________ ,

To be the signer of the above document, and he/she acknowledge that he/she signed it.

Signature of Notary

X

Date (MMDDYYYY)

This notarization must include the Notary's official seal to be accepted as complete. The seal must be affixed by inked stamp imprint (preferred), or photocopiable emboss. Electronic notarizations cannot be accepted.

Notary Seal:

Plan Sponsor/Third Party Administrator Acknowledgements and Signature

For governmental and ERISA plans, the requested transaction has been approved and meets applicable legal requirements; OR for 501(c)(3) non- ERISA plans, the Plan Sponsor or Third Party Administrator represents that the participant had a termination of employment if Part 5 indicates that the distribution is based on severance of employment.

For ERISA Plans, with the authority to act on behalf of the Plan, I certify that the marital status selected is correct and if the participant is married and the Notary section has not been completed, the participant's spouse

________ personally appeared before me with evidence to be the person whose name is named above and executed the foregoing document voluntarily.

If you are currently retired, unemployed, or working for an employer who does not sponsor a 403(b) program, your 403(b) account is deemed associated with your most recent employer who sponsored the 403(b) arrangement.

Name of Plan Sponsor (Required)

Phone Number

Employer Identification Number (EIN)

Mailing Address (Required)

City

State

ZIP code

Third Party Administrator Name

Plan Sponsor/Third Party Administrator Authorized Signer Name

Plan Sponsor/Third Party Administrator Signature

X

Date (MMDDYYYY)

Plan Sponsor/Designated Plan Administrator Notes Section-

$ ________ Amount approved if different than requested

Part 8 **Acceptance of Assignment** (RVSL Use Only)

Assistant Secretary, RiverSource Life Insurance Company

X

Date Signed (MMDDYYYY)

Mailing Instructions:

Make check payable and forward to:

RiverSource Life Insurance Company
829 Ameriprise Financial Center
Minneapolis, MN 55474

RiverSource Life Contract Number

[1] **For 1035 Exchanges:** By signature of an authorized officer above, RiverSource Life accepts assignment of all or part of the above contract for purposes of complying with the client's intention of effecting a nontaxable exchange under IRC Section 1035. Please issue a check payable to RiverSource Life Insurance Comapny F.B.O., the owner of the contract, for the all or part of the cash surrender value as indicated above. Because RiverSource Life must know the investment, we request that you forward this information with the surrender check to the address listed above. Note: Any income on the exchange of this contract should be reported to the previous contract owner, not to RiverSource Life.

[2] **For Trustee Transfers/Direct Rollovers**: RiverSource Life will transfer assets received into an Individual Retirement Annuity (IRA) for my benefit as the individual named above. RiverSource Life is an issuer of IRA contracts.

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 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 (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 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, 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 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 lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70½ (or after death);
- Hardship distributions;
- 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 requested to be withdrawn within 90 days of the first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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 lives or joint life expectancy 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;
- 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 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 requested to be withdrawn within 90 days of the first contribution;
- Payments for certain distributions relating to certain federally declared 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).
- 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 describe 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 a payment is only part of your 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 directly 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 directly 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.
If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. 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 employer 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, 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. 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 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. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). 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 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 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.

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-FORM.