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

RiverSource Annuities

Request for 403(b) - Tax Sheltered Annuity (TSA) Withdrawal/Surrender

- **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 the bank account selected in the Payment Arrangements section is not already available for use, complete the enclosed Standing Instruction: Bank form (Form 150936) to authorize the bank account.

RiverSource Contract Number

Part 1 Contract Information

Owner Name

Part 2 Plan Sponsor Information

Name of Plan Sponsor

Phone Number

Employer Identification Number

Mailing Address

City

State

ZIP code

Third Party Administrator Name

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.

Part 3 Required Qualifying Event

Prior to receiving a distribution from your 403(b) contract, the Internal Revenue Code requires that you have met certain qualifying events. All options may not be available due to Plan Provision restrictions. Carefully read the attached Special Tax Notice for Plan Distributions for important information regarding rollover eligibility and taxation of the distribution.

Please select your qualifying event:

◯ Severance from employment
- What was your severance date (MM/DD/YY)?
- Were you or will you be age 55 or older in the calendar year you severed employment? ◯ Yes ◯ No
- **20% minimum mandatory federal withholding** (unless funds are being directly rolled over).

◯ Normal distribution following attainment of age 59½
- **20% minimum mandatory federal withholding** (unless funds are directly rolled over).

◯ Required Minimum Distribution
- No 20% minimum mandatory federal withholding; complete Income Tax Withholding election in Part 8.

◯ Disability
- Attach a completed Statement of Disability.
- **20% minimum mandatory federal withholding** (unless funds are directly rolled over).

◯ Return of Excess Contributions - Year excess occurred (YYYY)

Type: ◯ Salary Deferral ◯ Annual Additions (Employer Contributions)
- Federal withholding is optional; complete Income Tax Withholding election in Part 8.

***Required Qualifying Event** continued on next page...*

Required Qualifying Event continued

◯ Beneficial TSA
- No 20% minimum mandatory federal withholding.
- Complete Income Tax Withholding election in Part 8.

◯ Pre-1989 contract value; no qualifying event necessary
- **20% minimum mandatory federal withholding** (unless funds are directly rolled over).

◯ Birth or Adoption Distribution*
- Federal withholding is optional; complete Income Tax Withholding election in Part 8.
- No federal withholding will be taken if no selection is made; State withholding rules vary by state.
- Returning the distribution to the 403(b) plan is optional, but if submitted must be done by check and accompanied by written documentation, signed by the Plan Sponsor/TPA, attesting this transaction is permitted by the plan.

◯ Personal or Family Emergency Expense*
- Maximum of $1,000 per year; Only one withdrawal per three-year repayment period is permitted if the first withdrawal has not been repaid.
- No 20% minimum mandatory federal withholding; complete income tax withholding election in part 8.
- State withholding rules vary by state.
- Return of these distributions to the 403(b) plan must be done by check and be accompanied by written documentation, signed by the plan sponsor/TPA, attesting this transaction is permitted by the plan.

◯ Domestic Abuse Victim*
- No 20% minimum mandatory federal withholding; complete income tax withholding election in part 8.
- State withholding rules vary by state.
- Return of these distributions to the 403(b) plan must be done by check and be accompanied by written documentation, signed by the plan sponsor/TPA, attesting this transaction is permitted by the plan.

◯ Expenses and losses on account of a FEMA declared disaster, provided that your or your dependent's principal residence or place of employment, at the time of disaster, is in a FEMA declared disaster zone.*
- No 20% minimum mandatory federal withholding; complete income tax withholding election in part 8.
- State withholding rules vary by state.
- Return of these distributions to the 403(b) plan must be done by check and be accompanied by written documentation, signed by the plan sponsor/TPA, attesting this transaction is permitted by the plan.

◯ Terminal Illness*
- No 20% minimum mandatory federal withholding; complete income tax withholding election in part 8.
- State withholding rules vary by state.
- Return of these distributions to the 403(b) plan must be done by check and be accompanied by written documentation, signed by the plan sponsor/TPA, attesting this transaction is permitted by the plan.

*Repayment of these distribution can be made within 3 years of initial distribution

For Custodial 401(a) plans only: If 20% mandatory federal withholding does not apply, selection will be needed in Part 8.

☐ Required Minimum Distribution (RMD) (amount to distribute is indicated above)
- RMD may not be rolled over to an eligible retirement plan or IRA or converted to a Roth IRA

☐ Other distributions with no 20% federal tax withholding
- Different withholding rules apply in certain situations. Consult your tax professional for additional information regarding withholding.
- If distribution is eligible to be rolled back to the plan, it must be done by check and be accompanied by written documentation signed by the plan sponsor attesting this transaction is permitted by the plan.

Select One:

◯ Birth or adoption
◯ Personal or family emergency expense
◯ Domestic abuse victim
◯ Federal disaster
◯ Terminal illness

Part 4 Full or Partial Withdrawal Request

- 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. Please verify the withdrawal provisions and conditions of your contract prior to making a selection.
- If you are currently receiving systematic withdrawals based upon the accumulated value of your account, a withdrawal may decrease or inactivate future systematic withdrawals.
- Make sure you understand the impact taking this withdrawal will have on your values. Certain riders contain features that may be negatively impacted by taking a withdrawal.
- Consult with your investment professional to determine a withdrawal strategy that is right for you.

Select one:

◯ I request a full withdrawal of the contract in accordance with the provisions and conditions of the contract.

◯ Make a partial withdrawal of $ ____

◯ Make a partial withdrawal of my interest earnings.

◯ Make a partial withdrawal for my Required Minimum Distribution (RMD) in the amount of $ ____

◯ Make a partial withdrawal for my annual free amount without incurring withdrawal charges effective

◯ Immediately ◯ On a specific date (MM/DD/YY) ____

Unless specific instructions are provided below, all partial surrenders will be made pro-rata.

Account/Fund name	Whole Percentage
	%
	%
	%
	%
Total	100 %

Part 5 Systematic Withdrawal Request

- For structured annuities: All systematic withdrawals will be processed using the default surrender order as follows: interim account, fixed account, pro-rata among all segments. Manually specified systematic withdrawals are not available.
- For ACH transfers, please allow three business days for your withdrawal to be deposited into your account.
- If no payment start date is entered, request will be effective on first business day after received in the corporate office.

This request is for ◯ Establish a New Arrangement ◯ Replace an Existing Arrangement

Amount ◯ Payment Amount $ ____ ◯ Earnings Only

Payment Frequency ◯ Monthly ◯ Quarterly ◯ Semiannually ◯ Annually

Payment Start Date (MMDDYYYY) Payment End Date (MMDDYYYY)

◯ **Fixed Dollar Amount**

- For variable annuities: Unless specific instructions are provided below, systematic withdrawals will be made pro rata.
- For structured annuities: all systematic withdrawals will be processed using the default surrender order as follows: interim account, fixed account (if available), pro rata among all segments. Manually specified systematic withdrawals are not available.

Dollar Amount **$** ____

Specify Withdrawal

Available only for variable annuities. RiverSource annuities held in brokerage account (Prefix 9925), you must enter in a whole percentage. For all other annuities, a dollar amount must be entered.

Account/Fund name	Percent/Dollar Amount	Account/Fund name	Percent/Dollar Amount

Automated Transfer Program (only available for RiverSource Structured Solutions annuities with an application generally signed before 01/08/2024)

- If elected: On each contract anniversary, this program transfers the total systematic withdrawal amount requested for the year from the fixed account, and then proportionally from any matured indexed accounts (up to the amount available in those accounts), to the interim account. Each year, any withdrawals that exceed what is in the interim and fixed accounts will come from the open segments.
- If not elected: The account requested will be disbursed first from the fixed account and then proportionately from all segments, which are subject to market volatility and transaction costs.
- You can choose to elect or cancel this program at any time.

◯ I want to elect the Automated Transfer Program (this will apply to all fixed Dollar Amount systematic withdrawals on this contract)

◯ Cancel the Automated Transfer Program on this contract

◯ **Contingent Yield/Return Earnings (Structured annuities only)**

- Only one Contingent Yield/Return Withdrawal Program can be established on the contract.
- Earnings from any one year Contingent Yield/Return segments, if any, will transfer to the interim account on each contract anniversary and be distributed at the frequency selected. To help avoid surrender charges, the amount transferred will not exceed the contract's "free amount" (the amount that can be withdrawn without incurring a surrender charge).
- Contingent yield/return rates for one year segment will reset on the contract anniversary. Therefore, the amount of the withdrawal will likely vary each year. The distribution amount depends on the amount of the earnings and the frequency you've selected.
- **There is also the possibility that there will be no earnings when a segment matures**. In that case, no money will be disbursed through the systematic withdrawal for the following contract year.

◯ **Earnings Only (not available for Index 500 annuities or RiverSource annuities held in a brokerage account)**

- The Earnings only selection is not applicable for RiverSource annuities held in a brokerage account.
- Amounts exceeding the base amount indicated will be surrendered on the scheduled pull date, provided it meets the $50 minimum scheduled surrender requirement. If no base amount is listed, we will use the current account value.
- Surrender amounts will fluctuate and will not occur if earnings are less than $50. For this reason, LTC and DI policies cannot be a destination for "Earnings Only" arrangements.
- The earnings only option is not available for accounts that have a withdrawal benefit rider.
- Surrenders will be made pro rata.

Base Amount $ ____________

Part 6 Delivery Instructions

For an **ACH -** if the bank instruction is not already available for use, complete the Standing Instruction: Bank form to authorize the bank account for use.

- The bank account must be authorized and approved prior to submitting this request. If we receive this form prior to the bank being authorized, the withdrawal request will not be processed.
- To request a withdrawal while a bank authorization is pending, please consider requesting a check to the address of record.
- Only domestic (US) bank accounts may be authorized for ACH or for future use.

Select delivery preference:

◯ Mail check to my address of record

◯ Make check payable to special payee or charity and send to my address on record (provide special payee/charity name below)

◯ Make check payable to special payee or charity and mail to the address provided below

***Delivery Instructions** continued on next page...*

- All special payee or charitable transactions will be processed as a taxable surrender and may result in a taxable event to the contract owner.
- For accurate delivery, please ensure the mailing instructions entered below do not exceed 30 characters per line (maximum of 5 lines).
- Anonymous charitable donations must be made payable to the charity and mailed too the client at their address on record.
- Only one check/payee is allowed per surrender request and you may only submit one surrender request per day. Requests for multiple checks to separate payees will not be accepted.

Name *(Required)*

◯ For Benefit Of ◯ Gift From ◯ Send Gift Anonymously *(If applicable, select one and include name below)*

Mailing Address *(Required)*

City | State | ZIP code

◯ ACH transfer to my external bank account

Name of Bank: | Bank Account Owner Name

Bank Routing Number/RTN: | Must be 9 digits and begin with a 0, 1, 2, or 3

Bank Account Number:

Part 7 Internal Transfer, Direct Rollover, Roth Conversion Instructions

A: Select Type of Transaction

◯ Full

◯ Partial $

B: Plan Type of Receiving Account

◯ Traditional IRA ◯ SEP IRA ◯ Roth IRA

C: New or Existing Contract

◯ New Contract (Attach application)

◯ Existing Contract (Include contract number)

D: Transaction Request

◯ Direct rollover from my TSA to an existing or new traditional IRA or SEP IRA.

◯ Direct rollover from my TSA to an existing or new Roth IRA (generally, this transaction is taxable).

◯ Direct rollover from this TSA to a Roth IRA using the same contract number (keep same contract number but change it to a Roth IRA) (generally, this transaction is taxable). The actuarial present value of additional death and/or living benefits are considered, if applicable, in determining the fair market value (FMV) of an annuity TSA to Roth IRA direct rollover within the same contract. The FMV is the contract value plus the present value of the additional benefits and is determined as of the date of the direct rollover. This is the amount that is reported on IRS Form 1099-R. I wish the direct rollover to be accomplished without surrendering the current TSA contract and purchasing a new Roth IRA contract. I understand that this can only be done if 100% of the contract value is directly rolled and the provisions of my contract allow such direct rollovers.

◯ Direct rollover from this TSA to a traditional IRA or SEP IRA using the same contract number (keep same contract number but change it to an IRA). I wish the direct rollover to be accomplished without surrendering the current TSA contract and purchasing a new traditional IRA contract. I understand that this can only be done if 100% of the contract value is directly rolled to an IRA and the provisions of my contract allow such direct rollovers.

Part 8 Withholding Instructions

- **Distributions eligible for rollover:** Distributions are subject to mandatory 20% federal income taxunless directly rolled over to another eligible retirement plan (including IRA), or directly converted to a Roth IRA.
- **Distributions not eligible for rollover** (such as required minimum distributions, substantially equal periodic payments, hardships, etc.): 10% federal income tax will be withheld unless you make a different election below. This does not include distributions due to birth or adoption.

Withholding Instructions *continued on next page...*

Withholding Instructions continued

- **Direct Conversion 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. Consult a tax advisor prior to requesting this transaction. No withholding will be taken unless requested below. If you elect withholding, taxes will be taken from the gross distribution amount. Any amount withheld will be considered a distribution (in the form of withholding) and may result in an IRS premature distribution penalty, in addition to the ordinary income taxes that apply to the entire distribution. If the amount withheld is to be rolled over to the Roth IRA, the withholding amount will have to be made up from other assets.
- 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 ofwithholding, (2) elect default state tax withholding, or (3) increase the rate of withholding. Depending onthe state, state tax withholding could be mandatory, optional, unavailable, or the client may need tocomplete a state-specific form.
- If your annuity contract is subject to contractual surrender charges and you elect withholding, surrender charges will apply to the amount withheld.
- For all tax-qualified annuities: Withholding is taken from the total amount distributed.
- 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 alien.
- Please consult your tax professional for additional information regarding federal and/or state withholding.

Important IRS Federal Withholding changes

- Effective January 1, 2023, IRS regulations require use of Form W-4R, signed by the taxpayer or authorized signer, to elect federal withholding at a rate other than the mandatory minimum rate of 20%, or the default rate of 10%.
- If 20% withholding is not mandatory, you may request 0% federal withholding without a Form W-4R by indicating your choice below.

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

- The account’s taxpayer (the plan participant) 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.
- **Do not attach a Form W-4R 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:

Distributions eligible for rollover are subject to mandatory 20% federal income tax withholding unless directly rolled over to another eligible retirement plan (including an IRA) or directly converted to a Roth IRA.

20% Minimum Mandatory Federal Withholding

◯ Withhold 20% federal tax

◯ Withhold more than 20% federal tax ________

Form W-4R must be on file with RiverSource prior to this distribution; do not attach a Form W-4R to this request. If this box is checked and no Form W-4R is on file for this percentage, RiverSource must withhold the 20% mandatory minimum federal tax.

No 20% Minimum Mandatory Federal Withholding

◯ Do not withhold federal tax

◯ Withhold 10% federal tax

◯ Withhold

Form W-4R must be on file with RiverSource prior to this distribution; do not attach a Form W-4R to this request. If this box is checked and no Form W-4R is on file, RiverSource must withhold the 10% federal tax.

State Withholding

- For state tax withholding rules, go to riversource.com/statetax.
- 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 no withhold state tax ◯ Withhold default state tax ◯ Withhold ________ % state tax

Part 9 Signatures and Acknowledgements

I have read and understand:

- I have reviewed the withdrawal provisions and conditions of my contract prior to making my withdrawal selection, and understand the impact taking this withdrawal will have on my values.
- I understand if my annuity has an optional benefit rider, certain riders contain features that may be negatively impacted by taking a withdrawal.
- If my annuity has a withdrawal benefit rider with the Base Doubler feature, any withdrawal taken (including Required Minimum Distributions) before the Base Doubler effective date will permanently set the Base Doubler value to $0.
- I understand and agree that this withdrawal may be a taxable event. 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 tax penalties.
- I have consulted with a tax advisor regarding the tax laws governing distributions and the tax consequences of this transaction and have done so to the extent I believe necessary.
- If I am requesting a distribution that is not intended to be a Required Minimum Distribution, but if I am required to receive Minimum Distributions each year, I certify that I have taken out sufficient distributions from this or other 403 (b) contracts necessary to satisfy this year's Required Minimum Distribution, thereby making this distribution eligible for rollover and subject to 20% mandatory withholding.
- I understand that withdrawal charges may apply to this distribution request. *(Please refer to the product prospectus or contract for details regarding withdrawal charges)*.
- 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) annuity.
- Waiver of 30-day time period: I have read the Special Tax Notice for Plan Distributions and I 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 this 30-day period expires, I will have waived these rights and processing of my distribution request will begin upon receipt.

I have read, understand, and agree to each of the items on the previous page and I certify that all of the information that I have provided regarding this distribution request is true and accurate to the best of my knowledge.

Owner Name

Owner Signature

X

Date (MMDDYYYY)

If signing as fiduciary, in what capacity are you acting?

◯ POA ◯ Conservator/Guardian ◯ Other

Spousal Acknowledgements 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 governmental 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

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

Signatures and Acknowledgements continued

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)

Notarization

State of :

County 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 acknowledged 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 3 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

(name of spouse)

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

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

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;

- 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.

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.