DISTRIBUTION OF BENEFITS REQUEST FORM

This form is used by retirement plan participants who are requesting a withdrawal distribution from their retirement plan. Sentry's online experience will allow you to process your distribution in a straight through manner with an ACH feature to save you time and money. If you choose to submit your request via paper, a two to three week processing time can be expected with additional paper processing fees. To expedite your request, login to sentry.com/retirement and receive your money within a few days after employer approval.

INSTRUCTIONS

Federal law requires this form and related information to be provided to a participant between 30 and 180 days before the actual distribution. A benefit payment fee may apply to this request. Please refer to your Participant Fees - Annual Disclosure Statement, Part III - Individual Expenses section.

1. Complete sections below as appropriate. Your request will not be processed if the form is not completed in its entirety.
2. Return the completed form to your Plan Administrator/Employer. Form is valid for 180 days from signature date.

PLAN INFORMATION

Contract Number	Plan Name
01-11473-01	Win-Tech, Inc. 401(K) PS Plan

PARTICIPANT INFORMATION (Please Print)

Last Name	First Name	Middle Initial	Social Security Number
			— —

Mailing Address	City	State	Zip Code

Email Address	Home Phone Number	Other Phone Number
	( ) —	( ) —

WITHDRAWAL OPTIONS

Refer to your summary plan description for availability and withdrawal options. If you are requesting a flat dollar amount, the amount requested will be reduced by any applicable fees.

Active Participant Options
Reason for requested withdrawal (select one):

☐ Withdraw my rollover dollars
☐ Withdraw my post-tax dollars
☐ Normal retirement age
☐ In-service*

Payment amount:

☐ Withdraw the maximum amount available
☐ Withdraw the following amount $________________
☐ Withdraw the following amount $________________ as follows ($250 minimum)**:

☐ Monthly OR ☐ Calendar Quarters

InActive (no longer working) Participant Options
Select one of the following distribution options:

☐ Close out my account (proceeds as cash distribution or rollover)
☐ Receive $ _______________ and roll over the remaining balance
☐ Withdraw the following amount $________________
(If your balance is ever under $5,000, a full payout may be required.)
☐ Withdraw the following amount $________________ as follows ($250 minimum)**:

☐ Monthly OR ☐ Calendar Quarters

*The maximum in-service withdrawal amount is equal to your current vested account balance if you are age 59½ or older. If your plan permits in-service withdrawals prior to age 59½, the maximum in-service withdrawal amount is equal to your current vested balance less 401(k) contributions, Qualified Nonelective Contributions, Qualified Matching Contributions, Safe Harbor Nonelective Contributions, Safe Harbor Matching Contributions, and income allocable to each. Money Purchase dollars may be restricted.

**Installment payments will be processed on the 10th of the months where a payment is applicable. Additional options for payment may be available on the web.

Note: transfer of employment from one member of a controlled group of businesses (as defined under Internal Revenue Code Section 414) to another member of the controlled group of businesses is not considered a severance of employment (i.e., no distribution is allowable). If you are transferring employment within a controlled group of businesses, your Employer should complete the appropriate information under Plan Administrator/Employer Authorization Section to notify Sentry of such status change.

PAYMENT OPTION

Select one of the three options:

1. ☐ **Single Sum** – I understand that to satisfy the mandatory withholding requirement, 20% of my single sum distribution will automatically be withheld for federal income tax purposes and that my net distribution amount will be after the required withholding. Where applicable, state income tax will also be withheld.

   Mail Check to: ☐ Home Address listed above

   ☐ Other Address: ______________________________

2. **Direct Rollover to:**

   ☐ **Eligible Qualified Retirement Program** – I understand that federal and state tax withholding do not apply. This single sum amount must qualify as an eligible rollover distribution and the plan must accept rollovers if this option is elected.

   ☐ **Individual Retirement Account/Annuity (Including a SIMPLE IRA if you have at least two years of participation in the SIMPLE IRA)** – I understand that federal and state tax withholding do not apply. This single sum amount must qualify as an eligible rollover distribution and the plan must accept rollovers if this option is elected.

   ☐ New Custodian/Trustee is aware of the Roth dollars in my account (If Applicable)

Please Note: If your distribution includes a Required Minimum Distribution (RMD), it is not an eligible rollover distribution and is not subject to the mandatory 20% federal income tax withholding requirement. Federal income tax withholding is voluntary and 10% withholding will automatically apply and any applicable state taxes will be withheld, unless otherwise indicated.

Make the Check Payable to

Mail the Check to

Address, City, State, Zip

New Custodian/Trustee Phone Number	Pretax Account Number	Roth Account Number (If Applicable)
( ) –		

3. ☐ **Purchase an Annuity** – This option is available only to participants whose account balances are over $5,000. If elected, an illustration will be prepared and sent to you showing annuity benefits and payout options including spousal and/or survivor benefits, if applicable. Payment amounts will be based on survivor age assumptions.

   Spouse's Date of Birth ____________________

INVESTMENT SOURCE/SELECTION

The distribution amount indicated will be withdrawn from appropriate money sources available for withdrawal and from applicable investment options on a pro rata basis unless otherwise indicated below:

____

____

PARTICIPANT AUTHORIZATION

I have read and completed the appropriate sections of this form. I also acknowledge that I have been provided with a copy of the Special Tax Notice.

Waiver of minimum notice period. I consent to an immediate distribution of the elected portion of my Vested Account Balance. I affirmatively waive any unexpired portion of the minimum 30 -day notice period during which I may consent to a distribution from the plan.

____
Print Name of Participant

______________________________ ______________
Signature of Participant Date

PLAN ADMINISTRATOR/EMPLOYER AUTHORIZATION

Section to be completed by the Plan Administrator/Employer and used to verify the status and eligibility for requested distribution – refer to Withdrawal Options and Mail to address listed below

Employment status (check only one): ☐ Termination-Employee Initiated ☐ Termination-Employer Initiated ☐ Retirement ☐ Total and Permanent Disability (Disability is expected to last more than 1-year or result in death) ☐ Transfer of employment between members of a controlled group of businesses. Upon notification of this event, Sentry will provide a Transfer of Assets/Liabilities form to be completed by the participant, sending plan and receiving plan. ☐ Active and Employed A temporary layoff is not considered a termination of employment.	Date of status change Payroll check date the last 401(k) contribution was withheld (if applicable) Has the final contribution been remitted to Sentry (if applicable)? Provide hours and pay for the year in which employment status changed (if not provided, Sentry will use data on record)

Plan Administrator/Employer must complete Plan Administrator/Employer Section and return form to:

Sentry Life Insurance Company
401k Department
PO Box 8020
Stevens Point, WI 54481-8020

Fax: 715-346-8966
Email: 401kmail@sentry.com

Phone: 800-4SENTRY (800-473-6879), option 3

I hereby certify that, to the best of my knowledge, the information provided on this form is complete and accurate and a Qualified Domestic Relations Order (QDRO) is not pending. I have verified the information above and authorize Sentry to proceed with processing the benefit as directed on this form.

____
Print Name of Administrator/Employer

______________________________ ______________
Signature of Administrator/Employer Date

SUMMARY OF OPTIONAL FORMS OF RETIREMENT BENEFITS

SPECIAL NOTICE TO BE RETAINED BY PLAN PARTICIPANT & PARTICIPANT'S SPOUSE, IF APPLICABLE

This Notice provides important information about distribution options under the retirement plan.

The money a participant will be entitled to receive from a qualified retirement plan is the vested account balance. Generally, a participant has the right to defer the distribution of benefits beyond the plan's normal retirement age if the participant's total vested account balance is more than $5,000. However, these deferred benefits are subject to IRS minimum required distribution rules and eventually must be paid out.

In general, participants with vested account balances of more than $1,000 but less than or equal to $5,000 (excluding any rollover amounts) can elect to have their vested account balance either distributed to them immediately in a single sum or rolled over to an eligible retirement plan. If the participant does not make this election within 30 days after receiving the Benefit Election Form, federal law requires the retirement plan sponsor to automatically roll over the vested account balance to an Individual Retirement Arrangement (IRA) on behalf of the participant.

Vested account balances of $1,000 or less will be distributed immediately to the participant in a single sum unless the participant elects a direct rollover to an eligible retirement plan.

For retirement plans that have reduced the $5,000 mandatory cash-out limit to $1,000, vested account balances of $1,000 or less (including any rollover amounts) will be distributed immediately in a single sum unless the participant elects a direct rollover to an eligible retirement plan.

***Postponement of Distribution*.** You do not have to commence distribution if you have not attained normal retirement age under the plan (or age 62, if later). If you do not wish to commence distribution at this time, you may notify us of your intent to defer payment. Under a postponement election, your Vested Account Balance will be subject to adjustment for investment earnings, gains or losses.

If you elect to receive your Plan distribution rather than postpone the distribution, you will be subject to an immediate federal, state (if applicable), and the 10% premature distribution taxation (unless you are 59½ or qualify for an exception) and you will lose the opportunity to accumulate earnings on your retirement account on a tax-deferred basis (tax-free for Roth contributions) for retirement unless you roll over the distribution to an IRA or other retirement plan. This means that by taking the distribution now, you could end up with a much lower retirement income than if you leave the assets in the plan to build (tax-deferred or tax-free) for your retirement. This could be the result even if you invest (instead of spend) the amount of your distribution that you have left after payment of taxes.

Consequences of failing to defer your distribution. Your decision whether to take your distribution now or to defer receipt of your distribution has no tax implications to you.

Loss of pretax growth. If you take the distribution now (and do not roll over the distributions): (1) you must include the distribution in your gross income for the year of distributions, except to the extent you have "basis" (after-tax dollars) in your account; and (2) you lose the opportunity to defer taxation on any earnings on your account balance and to earn additional pretax earnings on the earnings themselves (referred to as compounding of pretax earnings). The longer you delay the distribution, the longer the period you have to accumulate more earnings in your account.

Potential 10% additional tax. If you currently are under age 59½ and you receive your distribution, the taxable portion of the distribution will be subject to a 10% penalty tax in addition to any federal income tax, unless an exception applies. Deferring the distribution until you attain age 59½ avoids this 10% penalty. See the Special Tax Notice Regarding Plan Payments given to you with this Notice for a further explanation of the tax consequences of your distribution alternatives.

Rollover benefits. If you roll over the distribution (either by a direct rollover or by receiving the distribution and rolling over the distribution within 60 days of receipt), you can continue to receive the benefits of retirement plan growth, as is more fully explained in the Special Tax Notice Regarding Plan Payments.

Potential investments and fees. Some investment choices under the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment-related fees) outside the Plan may be different from fees and expenses that apply to your Plan account. Please contact the Plan Administrator to obtain additional information on (1) the general available outside the Plan of the Plan's currently available investment options or (2) the fees and expenses which apply to your account.

Under Federal Law, if a participant dies before retiring, the deceased participant's spouse has the right to receive the total account balance upon the participant's death. The right of the surviving spouse to receive the deceased participant's death benefit under the plan may not be taken away. The death benefit may not be paid to someone else unless the spouse agrees in writing to waive his or her rights to the death benefit under the plan by signing the spousal consent section of the appropriate election form. If the spouse gives up his or her rights to the participant's vested account balance, the beneficiary may not be changed to anyone other than the spouse unless the spouse agrees to the new beneficiary and completes a new form.

If the participant and spouse become legally separated or divorced, the spouse's right to the participant's vested account balance may end, even if the spouse did not sign the applicable spousal consent section. However, the spouse may be able to obtain a special court order called a Qualified Domestic Relations Order (QDRO). A QDRO specifically protects the spousal rights to the participant's account balance under the plan. If the participant and spouse are thinking about separating or getting a divorce, they should seek legal advice regarding their rights to benefits under the plan.

For vested account balances over $5,000, in addition to a single sum payment, other annuity options are available:

Life Annuity – A monthly income for the life of the annuitant. Upon the death of the annuitant, no further payments will be made.

Life Annuity with a Guarantee of 120 Monthly Payments – A monthly income for the annuitant's life with a guarantee that if the annuitant dies before receiving 120 monthly payments, the remainder of these payments will be paid to the designated beneficiary.

Contingent Annuity Option – A monthly income for the participant's life. If the participant dies before the participant's beneficiary, a percentage (50%, 66 2/3%, 75% or 100%) of the participant's monthly income will continue for the life of the surviving beneficiary. The percentage of monthly income that will continue for the life of the beneficiary will be determined by the participant.

The following are estimates assuming the participant's vested account value is $10,000.

Monthly Amount at age:

Form of Benefit	**45**	**55**	**65**
• Life Annuity	38.12	43.21	52.70
• Life Annuity with 10 Years Certain	37.98	42.80	51.30
• Contingent Annuitant	35.17	38.39	44.45

Option With 100% Continuation

Any annuity payment will be provided by an annuity purchased with the participant's vested account balance from Sentry Life Insurance Company.

The amount of each monthly payment will depend on the type of annuity you elect, the vested account value, the age of the annuitant and the age of the annuitant's spouse/beneficiary, if any, at the time payments begins.

Other forms of annuities are also available.

A description and the dollar amount of each benefit option are available upon request by contacting the Plan Administrator. The name and telephone number of the Plan Administrator is contained in the retirement plan employee booklet.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to a traditional IRA or an employer plan. If your Plan contains a Roth provision, all or a portion of your payment may be eligible to rollover to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

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?

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

If your distribution includes Roth after-tax contributions, your contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

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

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

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

Where may I roll over the payment?

Generally, you may roll over to either a traditional IRA (an individual retirement account or 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 traditional 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.

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

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

How do I do a rollover?

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

<u>If you do a direct rollover</u>, the Plan will make the payment directly to your traditional IRA, employer plan, Roth IRA or designated Roth account in an employer plan, as applicable. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

<u>If you do not do a direct rollover</u>, you may still do a rollover by making a deposit into a traditional IRA or eligible employer that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (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).

<u>If your account balance includes Roth contributions, and you do not do a direct rollover</u>, you may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated

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

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- 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.
- 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?

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

If a Roth payment is a qualified distribution, there is no income tax due. If a Roth payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- 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
- 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.

If I do a rollover to a traditional or Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

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

- There is no special exception for payments after separation from service that are made after age 55 for traditional IRAs.
- There is no special exception for payments after separation from service (at any age) for Roth IRAs.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a traditional or Roth IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions (other than Roth 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 generally 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 have been 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 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, but see the section entitled “If you have an outstanding loan that is being offset” for a longer deadline for certain loan offsets. The IRS, however, 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 or the later deadline for certain loan offsets. There are three ways to obtain a waiver from the IRS: (1) you qualify for an automatic waiver, (2) you self-certify that you met the requirements of a waiver, or (3) you request and receive from the IRS a private letter ruling granting a waiver (private letter ruling requests require the payment of a nonrefundable user fee). For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

If you 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 amount of the loan, typically when your employment ends.

The loan offset amount is treated as a distribution to you at the time of the offset and will generally be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of loan offset to an IRA or employer plan. If the offset loan is a distribution of nonqualified Roth monies, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan. If however, a loan offset occurs due to your termination of employment (or due to the termination of the Plan), then instead of 60 days to rollover the loan offset you have until the due date of your Federal individual income tax return (including extensions) for the year in which the plan offsets the loan offset to complete a rollover.

If you receive a distribution and you were born on or before January 1, 1936

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

Taxation of in-plan Roth direct rollover of non-Roth account

You cannot roll over a distribution to a designated Roth account in another employer’s plan. If your distribution is an eligible rollover distribution other than from a designated Roth account, the Plan may permit you to make an in-plan Roth direct rollover of the distribution to a designated Roth account within the Plan. If your Plan so permits, the following special rules apply to an in-plan Roth rollover:

- If you roll over the distribution to a designated Roth account in the Plan, the amount of the distribution 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 distributions 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 attain age 59½, have died or became permanently disabled AND after you have had a designated Roth account in the Plan for a period of at least 5 years. The 5-year period described in the preceding sentence begins on 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 your first contribution was made 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 allocable to earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies).

If your account balance does not include Roth contributions and if you roll over your payment to a Roth IRA

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax contributions) 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 59 ½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

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 will generally not apply, and the special rule described under the section "If you receive a distribution and you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936. In the case of a Roth distribution, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan.

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 a traditional or Roth IRA, you may treat the IRA as your own or as an inherited IRA.

A traditional or Roth 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 (including earnings paid to you in a nonqualified distribution before you are age 59½ for Roth IRAs) will be subject to the 10% additional income tax on early distributions (unless an exception applies). Required minimum distributions (RMDs) from a traditional IRA do not have to start until after you are age 70½. No RMDs from your Roth IRA are needed during your lifetime.

If you treat the traditional or Roth IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to RMDs. If the participant had started taking RMDs from the Plan, you will have to receive RMDs from the inherited traditional or Roth IRA. If the participant had not started taking RMDs, you will not have to start receiving RMDs from the inherited traditional or Roth 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 traditional or Roth IRA. Payments from the inherited IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive RMDs from the inherited IRA.

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

If you are a nonresident alien

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

Other special rules

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

If your payments for the year are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. For purposes of the $200, payments from the designated Roth account and payments not from the designated Roth account apply separately. However, you can do a 60-day rollover.

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

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

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, 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.