

Hardship Withdrawal Form

READ THE ATTACHED IRS SPECIAL TAX NOTICE: IF YOUR PLAN ALLOWS FOR AN ANNUITY OPTION, READ THE WRITTEN EXPLANATION OF QUALIFIED JOINT AND 50% CONTINGENT SURVIVOR ANNUITY FORM OF BENEFIT BEFORE COMPLETING THIS FORM.

INSTRUCTIONS AND INFORMATION FOR COMPLETING THIS FORM

THIS FORM MUST BE COMPLETED AND SIGNED BY YOU (AND YOUR SPOUSE IF YOU ARE MARRIED) AND THE PLAN ADMINISTRATOR, TRUSTEE OR AN AUTHORIZED SIGNER. If any information is missing or incomplete you may be required to complete a new form or provide additional information before the distribution can be processed. There may be a charge to process this distribution request which is deducted directly from the distribution check. Please check with your employer to determine if you are subject to this charge.

PARTICIPANT INSTRUCTIONS

1. Complete Sections B-G. If you are married, complete Section F, Spousal Consent.
2. Your signature is required in Section G.
3. Submit this form to your Employer for signature and processing. **Do not mail this form directly to the Processing Center listed at the end of this form.**

EMPLOYER INSTRUCTIONS

1. Complete Section A.
2. Your signature is required in Section G.
3. Submit this form to the Processing Center.

HARDSHIP WITHDRAWAL GUIDELINES

1. Monies requested must be used for one of the following purposes:
 - To pay costs directly related to the purchase of a participant's principal residence;
 - To pay post-secondary tuition and educational expenses of a participant, spouse, dependent(s) or beneficiary(s) for the next 12 months;
 - To pay un-reimbursed medical and/or hospital expenses for a participant, spouse, dependent(s) or beneficiary(s);
 - To prevent eviction from or foreclosure on the mortgage of a participant's principal residence;
 - To pay for funeral or burial expenses for the participant's deceased parent, spouse, child, dependent or beneficiary(s); or
 - To pay for expenses to repair damage to the participant's principal residence that would qualify for a casualty loss deduction under Code Section 165 (determined without regard to whether the loss exceeds ten percent (10%) of adjusted gross income).

You are required to provide proof of this hardship to your employer.

2. Participants must exhaust all available resources to obtain monies, within reason, including a loan from the plan (*if applicable*).
3. The amount of the request must not be in excess of the amount required to satisfy the need, but may include federal, state, or local taxes and penalties.
4. Elective and nondeductible voluntary contributions to any plan maintained by the employer, qualified or non-qualified, will not be allowed for 6 months after the receipt of a hardship withdrawal.

SECTION A. Employer Information

Company/Employer Name

Central California Child Development Service, Inc.

Plan Name

CCCDs Retirement Savings Plan

Contract Number

601447

Division Number (if applicable)

Social Security No.

Date of Birth (mmddyyyy)

Date of Hire (mmddyyyy)

E-mail Address

Last Name

First Name/Middle Initial

Street Address/Apt. No.

Phone No.

Ext. (if any)

City

State

Zip Code

Marital Status

Married Unmarried

MAIL DELIVERY

If no address is provided in Section B, the address on file will be used to process this request. All checks will be sent via First Class Mail unless the Overnight Mail box is checked below.

Send check overnight mail and deduct \$25.00 from the check for express charges (Deduct \$50.00 for international address). Please note: A street address must be provided.

SECTION C. Hardship Reason

My hardship withdrawal request is for the purpose of meeting the financial need(s) indicated below:

- Purchase of a Principal Residence (excluding mortgage payments; must provide a signed contract by buyer and seller to your employer)
- College/Post-Secondary Tuition (provide tuition bill for period within the next 12 months for self, spouse, dependents or beneficiary(s) to your employer)
- Medical Expenses (must provide unreimbursed medical bill indicating insurance portion or denial letter from insurance carrier for self, spouse, dependents or beneficiary(s) to your Employer)
- Foreclosure/Eviction - Principal Residence (must provide foreclosure or eviction notice to your employer)
- Funeral or Burial Expenses (provide a bill for funeral or burial expenses for your parent, spouse, child, dependent or beneficiary(s) to your employer)
- Damage to Principal Residence (provide a bill for expenses to repair your principal residence, along with a statement certifying that the damage qualifies for a casualty loss deduction under Code Section 165 to your employer)

I have provided supporting documentation as indicated below:

Type of Hardship

Date

Type of Documentation

<u>Type of Hardship</u>	<u>Date</u>	<u>Type of Documentation</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

SECTION D. Hardship Amount

The amount of money I will need to satisfy this hardship is \$ _____ (an amount must be specified, or the "Maximum Allowed" under your plan).

Note: Your payout will automatically be prorated against all investment options. You may increase your hardship amount to include the taxes that would be withheld if elected.

SECTION E. Income Tax Withholding

Failure to provide your correct taxpayer identification number will result in mandatory withholding of income tax.

FEDERAL INCOME TAX

A 10% federal income tax withholding will apply to all taxable distributions over \$200 unless you elect otherwise.

Do not withhold federal income tax from my distribution.

STATE INCOME TAX

If your address of record is within a mandatory withholding state, state taxes will be withheld from your distribution in accordance with the respective state rules. Other states allow an independent election and in these states, state tax will be withheld unless you elect otherwise. If your state does not allow withholding, no state tax can be withheld. Please contact Transamerica to confirm if your state has a mandatory state tax.

Do not withhold state income tax (ONLY IF INDEPENDENT ELECTION IS PERMITTED).

Withhold state income tax: _____% (If your state requires a greater withholding percentage than what you have indicated, the mandatory state tax will apply).

SECTION F. Spousal Consent

Check with your Employer/Plan Administrator or your Summary Plan Description to determine whether this plan is subject to spousal consent requirements. If **spousal consent** is required, complete this section. Otherwise skip to Section G.

You must have your spouse's signature notarized or have a plan representative witness your spouse's signature if your vested account balance is greater than \$5,000. However, if the vested account balance is less than \$5,000 spousal consent is not required.

Spousal Consent

I, the undersigned spouse of the participant, understand that federal law requires that I consent in writing to any distribution from the plan unless that distribution is in the form of a joint and survivor annuity. I have read the IRS Special Tax Notice provided to me and hereby waive my rights to have the amount of the hardship distribution payable in an annuity. I understand the effects of this waiver and consent to the hardship distribution elected by my spouse.

Signature of Participant's Spouse: _____ Date: _____

Statement of Plan Representative or Notary Public

The spouse whose signature I have witnessed is known to me and signed this form in my presence.

Plan Representative: _____ Date: _____

Notary Public Signature: _____ Date: _____

PLACE SEAL HERE (if applicable)

SECTION G. Required Signatures

The above information and any substantiating documentation is true and correct to the best of my knowledge. I understand that the amount of my hardship withdrawal is limited to the gross amount of my elective contributions plus any gains accrued prior to 12/31/88 and reduced by any previous hardship withdrawals. I also understand that this hardship withdrawal will require my suspension from making elective contributions to the plan or any other plan maintained by my Employer, whether qualified or non-qualified, for a 6-month period. I understand and agree that Transamerica Life Insurance Company and its affiliates, employees, agents, and directors (a) are not responsible for determining whether my request satisfies applicable tax or other legal requirements, and (b) have no liability to me or any other person for any adverse consequences resulting from payment of my hardship withdrawal as requested. I understand that a copy of this form must be submitted to my employer/plan administrator. In addition, I acknowledge that I have received the "Special Tax Notice Regarding Payments From Qualified Plans."

By not checking the box below you are acknowledging that you are not a foreign person for US federal tax purposes.

By selecting this box you are indicating that you are a foreign person for US federal tax purposes. You are required to complete, execute and return an original Form W-8BEN with this completed Hardship Withdrawal Request Form. The failure to return an executed, original Form W-8BEN may result in a 30% federal tax withholding.



Signature of Participant

Date

PARTICIPANT: RETURN COMPLETED FORM TO YOUR PLAN ADMINISTRATOR FOR PROCESSING

MUST BE COMPLETED BY THE PLAN ADMINISTRATOR, TRUSTEE OR AUTHORIZED SIGNER ONLY

By signing below, I hereby authorize Transamerica to process the distribution described in this form. This request is in compliance with plan provisions.

If spousal consent is not provided, then in accordance with the terms and provisions of the plan and under the current law, spousal consent is not required for payment of the requested benefit.



By: Signature of Plan Administrator, Trustee or Authorized Signer

Date



Print Name of Plan Administrator, Trustee or Authorized Signer

Date

Once this form has been completed with all of the necessary information and required signatures, please forward to the Processing Center for processing. This form cannot be processed without the Plan Administrator, Trustee or Authorized Signer's signature.

Be sure to keep a photocopy for your records.

FOR PLAN ADMINISTRATOR USE ONLY - MAIL TO: Processing Center: 8488 Shepherd Farm Drive, West Chester, OH 45069, Fax #: (877) 449-4443
or E-mail: Withdrawals@Transamerica.com

SPECIAL TAX NOTICE REGARDING PAYMENTS FROM QUALIFIED PLANS

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from your Employer's plan (the "Plan") is eligible to be rolled over to an IRA, a Roth IRA, an employer plan, or a designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to two types of payments that you may be eligible to receive from the Plan: payments that are from a designated Roth account and payments that are not from a designated Roth account. A designated Roth account is a type of account with special tax rules that is available in some employer plans. If you are eligible to receive payments from the Plan that are from a designated Roth account and payments that are not from such an account, 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. In addition, additional rules that apply to most payments from a designated Roth account are described in the "General Information About Rollovers From A Designated Roth Account" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

Your Right to Waive the 30-Day Notice Period

Generally, neither a Direct Rollover nor a payment can be made from the plan until at least 30 days after your receipt of **this** notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a Direct Rollover. Your withdrawal will then be processed in accordance with your election as soon as practical after it is received by the Plan Administrator.

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 59 1/2 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 59 1/2 (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

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

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. 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 59 1/2 (unless an exception applies).

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 1/2 (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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- 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 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 59 1/2, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

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

Will I owe State income taxes?

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

GENERAL INFORMATION ABOUT ROLLOVERS FROM A DESIGNATED ROTH ACCOUNT

How can a rollover affect my taxes?

After-tax 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 59 1/2, 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 59 1/2 (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?

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement 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.

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth 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 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 59 1/2 (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, each of the payments will include an allocable portion of the earnings in your designated Roth account.

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 70 1/2 (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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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 S corporation stock is held by an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If a payment is not a qualified distribution and you are under age 59 1/2, 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 Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from a Roth IRA when you are under age 59 1/2, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a 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 Roth IRA, including:

- There is no special exception for payments after separation from service.
- 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 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 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 payments from a designated Roth account)

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. 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.

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 a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. 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. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If your payment includes employer stock that you do not roll over

If you do not do a rollover, or if you receive a distribution from a designated Roth account that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59 1/2, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover for a payment that includes employer stock, or if you receive a distribution from a designated Roth account and you do a rollover to a Roth IRA for a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA, Roth IRA, or employer plan, as applicable. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment from a designated Roth account that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

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, if the distribution is a nonqualified distribution, 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 an IRA, Roth IRA, employer plan, or designated Roth account in an employer plan, as applicable.

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 (or you receive a distribution from a designated Roth account that is not a qualified distribution) that you do not roll over, special rules for calculating the amount of the tax on the earnings in 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 59 1/2 (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 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are 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 are an eligible retired public safety officer (and, for those who receive distributions from a designated Roth account, you receive a nonqualified distribution), and your pension 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 nonqualified distributions 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 (applicable to payments that do NOT come from designated Roth accounts only)

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

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59 1/2 (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You may also roll over a payment from the Plan to a designated Roth account in an employer plan.

If you complete an in-plan roll over to a designated Roth account in your plan (applicable to payments that do NOT come from designated Roth accounts only)

If you roll over a payment to a designated Roth account in the plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). For payments from the plan in 2010 that are rolled over to a designated Roth account in the plan (and that are not distributed from that account until after 2011), the taxable amount of the rollover will be taxed half in 2011 and half in 2012, unless you elect to be taxed in 2010.

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 attain age 59½ (or after your death or disability) 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 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 were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936. Also, if you receive a distribution from a designated Roth account, 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 an IRA (or a Roth IRA, if the distribution is from a designated Roth account), 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 59 1/2 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 70 1/2.

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 70 1/2.

If you receive a distribution from a designated Roth account, a Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you receive a distribution from a designated Roth account, and you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70 1/2.

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 (or an inherited Roth IRA if the distribution is from a designated Roth account). Payments from the inherited IRA or inherited Roth 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 required minimum distributions 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 as described in this notice). 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 (not including payments from a designated Roth account in the Plan) 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. Further, if your payments from a designated Roth account in the Plan for the year are less than \$200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

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. Further, unless you elect otherwise, a mandatory cashout from the designated Roth account in the Plan of more than \$1,000 will be directly rolled over to a 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.