

# Alternate Payee Distribution Request Governmental 457(b) Plan

Refer to the Alternate Payee Distribution Guide while completing this form. Use blue or black ink only.

## City of Riverside Employee's Deferred Compensation Plan

98246-01

### Alternate Payee Information

Last Name			First Name			MI		
Address - Number & Street								
City			State			Zip Code		
( )			( )					
Home Phone			Work Phone					
Participant's Social Security Number								
Spousal Alternate Payee's Social Security Number								
Account Extension (if applicable)								
E-Mail Address								
Are you a U.S. citizen or resident alien?						Mo	Day	Year
<input type="checkbox"/> Yes <input type="checkbox"/> No						Date of Birth		

**Distribution Method**      **Effective Date:** \_\_\_\_\_

**Full Distribution**

**Partial Distribution**

Amount \$ \_\_\_\_\_ or \_\_\_\_\_ %     Gross Amount     Net Amount

**Payment to Self**

**Periodic Payment**

Payment Start Date: \_\_\_\_\_ Frequency:     Monthly     Quarterly     Semi-Annually     Annually

Payment of an Amount Certain \$ \_\_\_\_\_

Payment for a Period Certain (Years) \_\_\_\_\_

Interest Only Payments, converted to MDR at age 70 1/2 - must have all fixed investment options (attach copy of birth certificate or driver's license)

**Fixed Annuity**

Full Fixed Annuity     Partial Fixed Annuity \$ \_\_\_\_\_

Purchase Date: \_\_\_\_\_ Payment Start Date: \_\_\_\_\_

Frequency:     Monthly     Quarterly     Semi-Annually     Annually

Income of an Amount Certain \$ \_\_\_\_\_

Income for a Period Certain (Years) \_\_\_\_\_

The following options have monthly frequencies:

Fixed Life Annuity With Guaranteed Period (attach copy of birth certificate or driver's license)

5, 10, 15, 20 years (circle one)

Fixed Life Annuity - Life Only, No Death Benefit (attach copy of birth certificate or driver's license)



Last Name	First Name	MI	Social Security Number
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**Direct Rollover** - Available for spousal Alternate Payees only - Provide company information.

Amount \$ \_\_\_\_\_

Direct Rollover to an Eligible Plan:     Governmental 457(b)     401(a/k)     403(b)

Direct Rollover to an IRA

If you are a spousal Alternate Payee requesting a full withdrawal as a direct rollover and the minimum distribution requirements have not been met, and the participant is over age 70 1/2 and is no longer working, provide the amount of your required minimum distribution below. Note: The required minimum distribution cannot be rolled over. If you have not yet satisfied the minimum distribution requirements for the year, your required amount must be distributed prior to processing a rollover.

Required minimum distribution amount \$ \_\_\_\_\_

Do you wish to have 10% federal income tax withheld from your required minimum distribution?  Yes  No

Additional amounts may be withheld at your request \$ \_\_\_\_\_

**Transfer** - Available for spousal Alternate Payees only - Attach acceptance letter and provide company information.

Amount \$ \_\_\_\_\_

Transfer to a New Provider Within the Same Plan

**Company Information**

Company or Trustee's Name (to whom the check should be made payable)	Account Number
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Mailing Address	(       )
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City/State/Zip Code	Phone Number
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**Distribution Delivery**

**Check**       Mailing Address - \_\_\_\_\_

**Express Delivery** - \$25.00 non-refundable charge - Not available for periodic/fixed annuity payments. Express delivery available Monday through Friday only. Not available to P.O. boxes.

**ACH** - Available on periodic/fixed annuity payments at no charge. Available on one-time full/partial distribution payment to self for a \$15.00 non-refundable charge.

Checking Account - must attach preprinted voided check

Savings Account - must attach preprinted voided deposit slip

Financial Institution Name	Account Number	ABA Routing Number
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Financial Institution Mailing Address	City	State/Zip Code
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\_\_\_\_\_  
Last Name

\_\_\_\_\_  
First Name

\_\_\_\_\_  
MI

\_\_\_\_\_  
Social Security Number

**Federal and State Income Tax Withholding**

**Federal Income Tax** - Direct rollovers are available for spousal Alternate Payees only. No federal income tax will be withheld from direct rollovers or transfers. Twenty percent (20%) mandatory federal income tax withholding will apply to all distributions to spousal Alternate Payees that are eligible for rollover, but are not rolled over. For all other payments to spousal Alternate Payees and payments to non-spousal Alternate Payees, federal income tax will be withheld at the rate of 10%, unless Service Provider is directed otherwise below.

Do NOT withhold federal income tax from Alternate Payee's distribution.

If Alternate Payee would like **additional** federal income tax withheld, indicate amount \$ \_\_\_\_\_ or \_\_\_\_\_ % of the distribution amount.

If Alternate Payee is electing a periodic payment for a period certain of 10 years or longer or for his/her life expectancy, or a fixed annuity for a period certain of 10 years or longer, he/she may complete and attach IRS Form W-4P. You may obtain a Form W-4P at <http://www.irs.gov>.

**State Income Tax** - For all Alternate Payees, if Alternate Payee (or the participant in case of a non-spousal Alternate Payee) lives in a state that mandates state income tax withholding, it will be withheld.

Check here if Alternate Payee lives in a state that does not mandate state income tax withholding and would like state income tax withheld.

If Alternate Payee would like **additional** state income tax withheld, indicate amount \$ \_\_\_\_\_ or \_\_\_\_\_ % of the distribution amount.

**Required Signature(s) and Date**

Any person who knowingly presents a false or fraudulent claim is subject to criminal and civil penalties.

My signature acknowledges that I have received, read, understand and agree to all pages of the Governmental 457(b) Alternate Payee Distribution Request form, the Alternate Payee Distribution Guide and the Special Tax Notice, and affirms that all information I have provided is true and correct. I understand that funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information. I understand that it is entirely my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code") and that the plan into which I am rolling money over will accept the dollars, if applicable. I understand that I am liable for any income tax and/or penalties assessed by the IRS for any election I have chosen. I understand that once my payment has been processed, it cannot be changed. In the event that any section of this form is incomplete or inaccurate, Service Provider may not process the transaction requested on this form and may require that I complete a new form or provide additional or proper information before the transaction can be processed.

\_\_\_\_\_  
**Alternate Payee Signature**

\_\_\_\_\_  
**Date (Required)**

This request is in compliance with applicable Plan provisions and federal law and the Alternate Payee has received from me any notices required by law.

\_\_\_\_\_  
**Authorized Plan Administrator/Trustee Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Participant's Date of Hire:**

**Alternate Payee** forward to Plan Administrator/Trustee  
**Plan Administrator** forward to Service Provider at:  
Great-West Retirement Services®  
PO Box 173764  
Denver, CO 80217-3764  
**Express Address:**  
8515 E. Orchard Road, Greenwood Village, CO 80111  
**Phone #:** 1-800-701-8255  
**Fax #:** 1-866-745-5766

Great-West Retirement Services® refers to products and services provided by Great-West Life & Annuity Insurance Company, FASCore, LLC (FASCore Administrators, LLC in California), First Great-West Life & Annuity Insurance Company, White Plains, New York, and their subsidiaries and affiliates. Great-West Life & Annuity Insurance Company is not licensed to conduct business in New York. Insurance products and related services are sold in New York by its subsidiary, First Great-West Life & Annuity Insurance Company. Other products and services may be sold in New York by FASCore, LLC.

# ALTERNATE PAYEE DISTRIBUTION GUIDE

## Governmental 457(b) Plan

This Guide will assist you in completing the Alternate Payee Distribution Request form (the "Form") for governmental 457(b) plans. You should read all pages of this Guide before you begin to complete the Form. The Guide will assist you in completing each section of the Form and give you the information you need to make informed decisions regarding your distribution. If you need further clarification about the information discussed in this Guide, call a representative at your Service Provider. You can also call 1-800-701-8255 to speak with a service representative.

You are strongly urged to consult with an accountant and/or tax advisor in the preparation of your Form. While our representatives are able to explain the options to you, they cannot tell you which distribution method is best for you. Your local representative or any Service Provider representative will not provide tax or legal advice. Additionally, neither this Guide nor the Form represents tax or legal advice.

Please note that Great-West Retirement Services® ("Service Provider") cannot release your funds until Service Provider receives a domestic relations order determined to be qualified under the applicable provisions of the Internal Revenue Code (the "Code"), any applicable regulations, and the Plan. Any distribution request that is determined to be inconsistent with your qualified domestic relations order will not be processed and your Form will be returned to you.

Service Provider is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, Service Provider cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC Web site at: <http://www.ustreas.gov/offices/eotffc/ofac>.

**The Form** - The Form is divided into several sections, with each section requiring you to provide information or make an election regarding your distribution.

The sections on the Form are:

- Alternate Payee Information
- Distribution Method
- Distribution Delivery
- Federal and State Income Tax Withholding
- Required Signature(s) and Date

**Note: If your qualified domestic relations order pertains to more than one account or plan number, you must complete a separate Form for each account or plan number.**

**Incomplete or Inaccurate Information** - In the event that any section of the Form is incomplete or inaccurate, Service Provider may not be able to process the transaction requested on the Form. You may be required to complete a new form or provide additional or proper information before the transaction will be processed.

**Changes to Your Request** - If you make a change to the Form as you are completing it, you must cross out any previously elected choice(s) and initial all changes. If you do not initial all changes, the Form may be returned to you for verification.

## **The Form**

Note: Please use blue or black ink when completing the Alternate Payee Distribution Request Form.

### **Alternate Payee Information**

**Last Name, First Name, MI** - Your full name is required in order to properly identify your account.

#### **Address - Number & Street**

**City, State, Zip Code** - If you fill in an address other than the address on the record keeping system, your distribution will be sent to you in accordance with the information you provide on the Form. You may be contacted to verify this information.

**Home Phone, Work Phone** - This information will allow Service Provider to contact you in the event that your request is not properly completed.

**Social Security Numbers** - If you are a spousal Alternate Payee and a separate account has not been established in your name, provide both your Social Security number and the participant's Social Security number. If you are a non-spousal Alternate Payee, provide the participant's Social Security number. This information is required to properly identify your accounts and report withholding information to the Internal Revenue Service.

**Account Extension** - You must provide the account extension that identifies the assets awarded to you through a divorce. Not applicable for non-spousal Alternate Payees.

**E-Mail Address** - Your e-mail address is optional. If you choose to provide Service Provider with this information, it will be kept confidential.

**Are You a U.S. Citizen or Resident Alien?** - Your citizenship status is required to properly tax report your distribution.

**Date of Birth** - Your date of birth is required to properly process your distribution request.

## **Distribution Method**

There are several distribution methods that you may choose from on the Form. Depending on the type of distribution you are requesting, you may need to check more than one box in this section. For example, if you are requesting a rollover of your entire account balance to an IRA, you will check the Full Distribution box and the Direct Rollover box.

**Effective Date** - Your effective date of distribution will be the later of the date you select as your effective date and the date Service Provider receives a properly completed Form.

**Full Distribution** - Check this box if you want a full distribution of the amount you are entitled to receive in accordance with the terms of your qualified domestic relations order.

**Partial Distribution** - Check this box if you want a partial distribution. Indicate the amount of the partial distribution on the line provided, and select whether the amount of the partial distribution you requested is a gross amount (federal and/or state income tax withholding will be taken from this amount), or a net amount (the partial distribution from your account will be increased by the amount of federal and/or state income tax withheld). Your distribution will be prorated against all available contribution sources.

**Payment to Self** - By selecting this box, you are requesting that the distribution be paid to you directly.

**Periodic Payment** - You must choose from the periodic payment options. You must also select a payment start date. The payment start date is the date the funds will be distributed from your account. You can choose any day of the month with the exception of the 29th, 30th or 31st. You must also select the frequency of your payment - monthly, quarterly, semi-annually or annually. Allow approximately 5 - 10 business days from your payment start date to receive your distribution.

### **The Periodic Payment Options Are as Follows:**

1. Payment of an Amount Certain - Designate the dollar amount you wish to receive on a regular installment basis (monthly, quarterly, semi-annually or annually). Your payments will continue until your account balance is zero. The number of payments you receive will vary depending on the performance of the underlying investment options.
2. Payment for a Period Certain (Years) - You will receive payments on a regular installment basis (monthly, quarterly, semi-annually or annually). Payment amounts will depend on the length of time in years during which you elect to receive payments, the periodic basis that you choose, and the performance of the underlying investment options.

Your payment amount will be calculated by dividing your current account balance by the number of remaining payments. For example, if the payout is to be monthly for 4 years, the initial payout amount will be equal to 1/48 of the amount you are entitled to receive under your qualified domestic relations order. The second payment will be 1/47 of the amount you are entitled to receive, the third will be 1/46, and so on.

Your payment is recalculated each time a payment is distributed; therefore, the amount of each payment typically differs. The payment amount will vary depending on the performance of the underlying investment options. Your balance will be zero by the end of the term selected.

3. Interest Only Payments - If you choose this periodic payment option, you must have your entire account balance invested in one or more fixed investment options. Your payment will vary depending on the type of fixed investment option in which you are invested and the performance of that option. Your payment will continue until the participant attains age 70 1/2, at which point your periodic payment option will automatically convert to the required minimum distribution and distributions will be made at the same frequency as your interest only payments were made.

**Fixed Annuity** - An annuity is a payment option that can guarantee you a retirement income for life or a limited, defined period. You will receive payments on a regular basis. Payments made under a fixed annuity option will not change for as long as the annuity period continues. To request an annuity quote, review the annuity options that follow and call Service Provider. The insurance company issuing the annuity makes annuity payments and will deduct the applicable income tax withholding. Once an annuity option is selected, you may not select a different distribution method or change to another fixed annuity option. To elect this method, the minimum annuity purchase amount is \$2,000.00, and each payment must be at least \$50.00.

If you choose a fixed annuity payment option, you will also need to decide if you want to use the entire amount you are entitled to receive under your qualified domestic relations order or a portion thereof to purchase an annuity.

**Purchase Date** - The purchase date is the date your funds are withdrawn from the existing account and placed into a fixed annuity. The purchase date may vary depending on the underlying investment options. If the purchase date is not a business day, the purchase date will default to the next business day. The selected purchase date must be prior to the payment start date. The interest rate applied will be the annuity rate in effect on the actual purchase date. If a purchase date is not selected, the purchase date will automatically be the date a properly completed Form is received by Service Provider. Your purchase date cannot be more than 12 months from the date you complete the Form.

**Payment Start Date** - The payment start date is the date your first check is to be received. Your first electronic transfer or check may be delayed 5-10 business days as your annuity account is established. The payment start date for fixed annuities cannot be more than 90 days after the purchase date. You may choose any day of the month with the exception of the 29th, 30th or 31st.

### **The Fixed Annuity Options Are as Follows:**

1. Income of an Amount Certain - You must indicate a specific amount to be paid to you on a monthly, quarterly, semi-annual or annual basis. The amount chosen must be received over a period not greater than 20 years. If you die before your entire annuitized balance is distributed, your beneficiary will receive all remaining annuity payments, if any.

2. Income for a Period Certain (Years) - You will receive payments on a monthly, quarterly, semi-annual or annual basis for the time period chosen (not greater than 20 years). If you die before your entire annuitized balance is distributed, your beneficiary will receive all remaining annuity payments, if any.
3. Fixed Life Annuity With Guaranteed Period - You will be paid monthly annuity payments for the guaranteed annuity payment period you select (5, 10, 15, or 20 years) or for your lifetime, whichever is longer. Upon your death, all payments remaining payable under the guaranteed period will be paid to your beneficiary, if any. If you choose this option, you must attach a copy of your birth certificate or driver's license.
4. Fixed Life Annuity - Life Only, No Death Benefit - You will be paid monthly annuity payments during your lifetime. Upon your death, all benefit payments cease. If you choose this option, you must attach a copy of your birth certificate or driver's license.

**Direct Rollover/Transfer (Available for spousal Alternate Payees only)** - Before you request a direct rollover to an eligible plan or IRA, you must first determine whether your new plan or IRA accepts eligible rollover distributions. Direct rollovers are available to spousal Alternate Payees only.

Beginning in the later of the year that the participant attains age 70 1/2 or the year during which he/she severs employment, you may not roll over that portion of a distribution equal to your required minimum distribution amount. If you elect a distribution in the form of an annuity, as of January 1 of the calendar year in which the participant attains age 70 1/2, the IRS will treat the entire portion of each and every annuity payment as a required minimum distribution. Therefore, the entire amount of each annuity payment is not eligible for rollover.

If you are requesting a direct rollover, an eligible rollover distribution is paid from your Plan directly to your new employer's Code section 401(a), 401(k), 403(b) or governmental 457(b) plan or to a Traditional IRA.

Indicate the dollar amount you want to roll over and provide the company name, account number, mailing address, city, state, zip code and a phone number for your direct rollover. Once Service Provider has processed a direct rollover, it cannot be returned.

If you choose this distribution method, a Form 1099-R will be issued for reporting purposes; however, no federal income tax will be automatically withheld from amounts directly rolled over.

**Transfer to a New Provider Within the Same Plan** - Indicate the dollar amount you want to transfer and provide the company name, account number, mailing address, city, state, zip code and a phone number for your transfer. Once Service Provider has processed a transfer, it cannot be returned.

You must obtain and attach a letter of acceptance from your current Plan Administrator/Trustee certifying that the amounts may be transferred to another investment provider under the Plan. If you are requesting a transfer to another investment provider under your current employer's Plan, check the box "Transfer to a New Provider Within the Same Plan." A check for the amount of the transfer will be made payable to the new investment provider for your benefit. Transfers may only be made to other investment providers within the same Plan. This distribution method cannot be used to transfer or roll funds over to another plan. In the event of an inconsistency between information contained in the letter of acceptance and information you provide on the Form, your request may not be processed or you may be required to provide additional clarifying information. Depending upon your current investment options, certain fees, charges and/or limitations may apply.

### **Distribution Delivery**

The delivery of your distribution may depend on the distribution method that you selected on the Form. Certain delivery options are not available on all types of distributions. Below is a description of each delivery option.

**Check** - You can receive your distribution by check regardless of the distribution method you selected on the Form.

**Mailing Address** - Check this box and complete this section if you want your check to be sent to an address other than the address you provided on the first page of the Form.

**Express Delivery** - Not available for periodic/fixed annuity payments. The amount of your distributable check will be reduced by \$25.00 for this service. Express delivery is available for Monday through Friday delivery only and is not available to P.O. boxes. Delivery is not guaranteed to all areas.

**Automated Clearing House (ACH)** - Check this box and complete this section only if you want your periodic/fixed annuity payments or one-time full/partial distribution payment to self to be electronically deposited into your checking or savings account. You may not designate a business account or an IRA. This option is available for periodic/fixed annuity payments at no charge. Available on one-time full/partial distribution payment to self for a \$15.00 non-refundable charge. If you are requesting a one-time full/partial distribution payment to self, your payment amount will be reduced by \$15.00 for this service. Complete the financial institution name, account number, ABA routing number, financial institution mailing address, city, state and zip code. For a checking account, you must attach a preprinted voided check. For a savings account, you must attach a preprinted voided deposit slip. If neither one is available to you, you must attach a signed letter from your bank, on their letterhead, that confirms the ABA routing number and your account name and number.

### **General ACH Information**

By choosing an ACH credit to your financial institution account, you are authorizing Service Provider to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error to your checking or savings account. You are also authorizing your financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account. Service Provider will make payments in accordance with the directions you have specified on the Form until such time that you notify Service Provider in writing that you wish to cancel the ACH agreement. You must provide notice of cancellation at least 30 days prior to a payment date for the cancellation to be effective with respect to all of your subsequent payments.

Service Provider reserves the right to terminate the ACH transfers for any reason and will notify you in the event of such termination by sending notice to your last known address on file with Service Provider.

It is your obligation to notify Service Provider of any address or other changes affecting your electronic fund transfers during your lifetime. You are solely responsible for any consequences and/or liabilities that may arise out of your failure to provide such notification.

By selecting an ACH method of delivery, you acknowledge that Service Provider is not liable for payments made by Service Provider in accordance with a properly completed Form. By selecting this method of distribution delivery, you are authorizing and directing your financial institution not to hold any overpayments made by Service Provider on your behalf, or on behalf of your estate or any current or future joint accountholder, if applicable.

### **ACH for Periodic Payments Only**

ACH is a form of electronic funds transfer by which Service Provider can transfer your payments directly to your financial institution. Allow at least 15 days from the date Service Provider receives your properly completed Form to begin using ACH for your payments. Upon receipt of a properly completed Form, Service Provider will notify your financial institution of your ACH request with the account information you have provided. The pre-notification process takes approximately 10 days. During the pre-notification process, your financial institution will confirm with Service Provider that the account and routing information you submitted is correct and that it will accept the ACH transfer. After this confirmation is received, your payments will be transferred to your financial institution within 2 days of the first payment date. If your payments are withdrawn from investments that are subject to time delays upon withdrawal, the deposit to your financial institution may be delayed accordingly. In the event of a change to your periodic payments, your electronic funds transfer may be subject to a delay, and a check will be sent to your last known address on file with Service Provider.

If your financial institution rejects the pre-notification, you will be notified and your checks will be mailed to you until you submit an Electronic Funds Transfer (ACH) form. As a result, it is important that you continue to notify Service Provider in writing of any changes to your mailing address.

### **Federal and State Income Tax Withholding**

**Federal Income Tax** - Direct rollovers are available for spousal Alternate Payees only. No federal income tax will be withheld from direct rollovers or transfers. Twenty percent (20%) mandatory federal income tax withholding will apply to all distributions to spousal Alternate Payees that are eligible for rollover, but are not rolled over.

For distributions not eligible for rollover, the distribution is subject to federal income tax withholding unless Alternate Payee elects not to have withholding apply. If Alternate Payee elects not to have federal income tax withholding apply to his or her distribution or if he or she does not have enough federal income tax withheld from the distribution, Alternate Payee may be responsible for payment of estimated tax. Alternate Payee may incur penalties under the estimated tax rules if his or her withholding and estimated tax payments are not sufficient. Check the appropriate box on the Form.

For non-spousal Alternate Payees, federal income tax will be withheld at the rate of 10%, unless Service Provider is directed otherwise. Check the appropriate box on the Form.

**State Income Tax** - For all Alternate Payees, if Alternate Payee (or the participant in case of a non-spousal Alternate Payee) lives in a state that mandates state income tax withholding, it will be withheld. If Alternate Payee wishes to have additional state income tax withheld or if Alternate Payee (or the participant in case of a non-spousal Alternate Payee) lives in a state that does not mandate state income tax withholding, Alternate Payee may elect to have an additional amount withheld. Check the appropriate box on the Form.

### **Income Tax Withholding Applicable to Payments Delivered Outside the U.S.**

If you are a U.S. citizen or a resident alien and your payment is to be delivered outside the U.S. or its possessions, you may not elect out of federal income tax withholding.

If you are a non-resident alien, you must attach IRS Form W-8BEN. In general, the withholding rate applicable to the payment is 30% unless a reduced rate applies because your country of residence has entered into a tax treaty with the U.S. and the treaty provides for a reduced withholding rate or an exemption from withholding. To obtain the IRS Form W-8BEN, call 1-800-TAX-FORM.

Contact your tax professional for more information.

### **Required Signature(s) and Date**

You must sign and date your Form. Read the disclosure on the Form in this section before signing. Once you sign this form, you attest to receiving, reading, understanding and agreeing to all provisions of the Form, the Guide and the Special Tax Notice.

Your Plan Administrator/Trustee's signature is also required. Your distribution request will not be processed without your Plan Administrator/Trustee's signature.

### **Submitting the Form**

Once you have completed the Form, forward it to the address indicated on the last page of the Form in the Required Signature(s) and Date section.

**Important Note**

Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state, and local tax laws may be revised, and new plan provisions may be adopted by your Plan. For the most up to date version of this Guide, please visit the Web site at [www.gwrs.com](http://www.gwrs.com) or call 1-800-701-8255.

Access to KeyTalk<sup>®</sup> or the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.

For more information about available investment options, including fees and expenses, you may obtain applicable prospectuses and/or disclosure documents from your representative. Read them carefully before investing.

## 402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS

### This Special Tax Notice Applies to Distributions from Governmental 457(b) Plans

This notice contains important information you will need before you decide how to receive Plan benefits. It explains when and how you can continue to defer federal income tax on your retirement savings when you receive a distribution.

This notice is provided to you because all or part of the payment that you will soon receive from one or more plans in which you participate may be eligible for rollover by you or your Plan Administrator to a Traditional IRA and effective January 1, 2008, to a Roth IRA, or to an eligible employer plan. A "rollover" is a payment by you or the Plan Administrator of all or part of your benefit to another eligible employer plan or IRA. A rollover to an eligible employer plan or Traditional IRA allows you to continue to postpone taxation of that benefit until it is paid to you. A rollover to a Roth IRA results in current income inclusion, but those amounts are then subject to the special Roth IRA rules regarding taxation upon later distribution. An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity, and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan). Before January 1, 2008, your payment(s) cannot be rolled over to a Roth IRA, and no rollovers to a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA) are allowed. There are some special considerations before you elect to roll over your Plan benefit. First, an eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions. If this is the case, you may want to roll your distribution over to an IRA instead or split your rollover amount between the eligible employer plan in which you will participate and an IRA. Second, you should find out about any documents that are required to be completed before the receiving plan will accept a rollover. Finally, you should find out what limits the receiving plan will put on later distributions of your rollover account. For example, the receiving plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover. You may also want to talk to your tax advisor before making any decisions.

If you have additional questions after reading this notice, you can contact your Plan Administrator.

#### 1. General Summary

There are two ways in which you may be able to receive a Plan payment that is eligible for rollover:

- (1) Certain payments can be made directly to a Traditional IRA and effective January 1, 2008, to a Roth IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or
- (2) The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Unless your rollover is being made to a Roth IRA, your payment will not be taxed in the current year and no income tax will be withheld.
- You choose whether your payment will be made directly to your IRA, including a Roth IRA effective January 1, 2008, or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account.
- The taxable portion of your payment will be taxed later when you take it out of the Traditional IRA or the eligible employer plan. Special tax rules apply to later distributions from a Roth IRA. Depending on the type of plan or IRA, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.
- The taxable amount of your payment will be taxed in the current year unless you roll it over. In the case of a rollover to a Roth IRA the amount of your distribution is currently taxable, although special rules may allow you to spread the income inclusion over more than one year.
- You can roll over all or part of the payment by paying it to your Traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the Traditional IRA or the eligible employer plan.
- If you want to roll over 100% of the payment to a Traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

#### 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 distribution 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 distribution will then be processed in accordance with your election as soon as practical after the Plan Administrator receives it.

## 2. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a Traditional IRA or to an eligible employer plan that accepts rollovers. Effective January 1, 2008, eligible rollover distributions can also be rolled over to a Roth IRA. Eligible rollover distributions cannot be rolled over to a SIMPLE IRA or a Coverdell Education Savings Account. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

The following types of payments cannot be rolled over:

**Payments Spread over Long Periods.** You cannot roll over a payment if it is part of a series of equal (or almost equal) installment payments that are made at least once a year and that will last for:

- Your lifetime (or a period measured by your life expectancy), or
- Your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or
- A period of 10 or more years.

**Required Minimum Payments.** Beginning when you reach age 70 1/2 or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

**Unforeseeable Emergency Distributions.** A distribution on account of an unforeseeable emergency cannot be rolled over.

**Distributions of Excess Contributions.** A distribution that is made because legal limits on certain contributions were exceeded and cannot be rolled over.

**Loans Treated as Distributions.** The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan-offset amount is eligible for rollover, as discussed in Number 4 below. Ask the Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment.

The Plan Administrator of this Plan should be able to tell you if your payment includes amounts which cannot be rolled over.

## 3. Direct Rollover

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a Traditional IRA, and effective January 1, 2008 to a Roth IRA, or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Number 2 above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER, other than a rollover to a Roth IRA, until you later take it out of the Traditional IRA or eligible employer plan. You will be taxed on a direct rollover to a Roth IRA. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER to a Traditional IRA or an eligible employer plan. A DIRECT ROLLOVER to a Roth IRA is included in income at the time of the rollover and may be subject to income tax withholding. There are some special rules that allow the rollover amounts to be included in income over more than one year, and your tax advisor can explain those in greater detail.

This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than \$200. If a portion of your payment is from a designated Roth 401(k) or 403(b) account, the Plan may treat the Roth account portion of your payment as a separate distribution for purposes of the \$200 rule to determine amounts that are not rollover eligible.

### **Direct Rollover to a Traditional or Roth IRA**

You can establish an IRA to receive the DIRECT ROLLOVER. If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a DIRECT ROLLOVER to an IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to make sure that the IRA you choose will allow you to move all or a part of your payment to another IRA at a later date, without penalties or other limitations. Please remember that rollovers to Roth IRAs will be allowed only after December 31, 2007. See IRS Publication 590, Individual Retirement Arrangements, for more information on Traditional IRAs (including limits on how often you can roll over between IRAs).

### **Direct Rollover to a Plan**

If you are employed by a new employer that sponsors an eligible employer plan, and you want a DIRECT ROLLOVER to that plan, ask the Plan Administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you still can choose a DIRECT ROLLOVER to a Traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the Plan Administrator of that plan before making your decision.

### **Direct Rollover of a Series of Payments**

If you receive a payment that can be rolled over to a Traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for fewer than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

### **Change in Tax Treatment Resulting from a Direct Rollover**

The tax treatment of any payment from the eligible employer plan or Traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. See the section below entitled, "Additional 10% Tax May Apply to Certain Distributions."

#### 4. Payment Paid to You

If your payment can be rolled over (see Number 2 above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a Traditional IRA or effective January 1, 2008, to a Roth IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

##### **Income Tax Withholding**

**Mandatory Withholding.** If any portion of your payment can be rolled over under Number 2 above, and you do not elect to make a DIRECT ROLLOVER, the plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of \$10,000 but choose to take the distribution in cash instead, only \$8,000 will be paid to you because the plan must withhold \$2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full \$10,000 as a taxable payment from the plan. You must report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

**Voluntary Withholding.** If any portion of your payment is taxable but cannot be rolled over under Number 2 above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, 10% of the taxable amount will generally be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

**Sixty-Day Rollover Option.** If you receive a payment that can be rolled over under Number 2 above, you can still decide to roll over all or part of it to a Traditional IRA, or a Roth IRA effective January 1, 2008, or to an eligible employer plan that accepts rollovers. If you decide to roll over your payment, you must contribute the amount of the payment you received to an IRA (as described above) or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the Traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Number 2 above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the Traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: The taxable portion of your payment that can be rolled over under Number 2 above is \$10,000, and you choose to have it paid to you. You will receive \$8,000, and \$2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the \$8,000, you may roll over the entire \$10,000 to a Traditional IRA or an eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, and you will have to find \$2,000 from other sources (your savings, a loan, etc.). In this case, the entire \$10,000 is not taxed until you take it out of the Traditional IRA or an eligible employer plan. If you roll over the entire \$10,000, when you file your income tax return you may get a refund of part or all of the \$2,000 withheld.

If, on the other hand, you roll over only \$8,000, the \$2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the \$2,000 withheld. (However, any refund is likely to be larger if you roll over the entire \$10,000. Also, the amount of any tax refund depends on the total income taxes you owe for the year on all income and the amount you have withheld during the year on all income.)

**Additional 10% Tax May Apply to Certain Distributions.** Distributions from the Plan are generally not subject to the additional 10% tax that applies to pre-age-59 1/2 distributions from other types of plans. However, any distribution from the Plan that is attributable to an amount you rolled over to the Plan (adjusted for investment returns) from another type of eligible employer plan or IRA amount is subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless an exception applies.

Exceptions to the additional 10% tax generally include (1) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (2) payments that are paid from an eligible employer plan after you separate from service with your employer during or after the year you reach age 55, (3) payments that are paid because you retire due to disability, (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. These exceptions may be different for distributions from a Traditional IRA. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax does not apply to distributions from the Plan or any other governmental 457(b) plan, except to the extent the distribution is attributable to an amount you rolled over to the governmental 457(b) plan (adjusted for investment returns) from another type of eligible employer plan or IRA.

In addition, any amount rolled over from the Plan to another type of eligible employer plan or to a Traditional IRA will be subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless an exception applies.

**Repayment of Plan Loans.** If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a Traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you. The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

## **5. Surviving Spouses, Alternate Payees, and Other Beneficiaries**

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order" (or a state domestic relations order applicable to certain governmental or church plans), which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a **surviving spouse or an alternate payee**, you may choose to have a payment that can be rolled over, as described in Number 2 above, paid in a DIRECT ROLLOVER to a Traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a Traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

Unlike surviving spouses and alternate payees, non-spouse beneficiaries do not have the same choices as the employee. Because of this difference, the mandatory withholding rules described in Number 4 above that typically apply to payments that are not rolled over, do not apply to payments made to non-spouse designated beneficiaries.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Number 4 above, even if you are younger than age 59 1/2.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump-sum distributions and the special rule for payments, as described in Number 4 above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump-sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

### **How to Obtain Additional Information**

The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORMS.

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