

**San Mateo County Electrical Construction Industry
Retirement Pension Plan
Defined Contribution Plan Application Procedures**

This is being distributed so that you will know the length of time needed to process requests for Retirement Benefits. You should apply 90 days prior to your planned requested retirement date. Applying 90 days prior will ensure that you receive your first check on the first day of the month that your retirement will become effective. Also applying 90 days prior will allow the time permitted for the processing of your health and welfare benefits if applicable. Please be sure to contact Jennifer Olia @ (800) 541-8059 or (408) 288-4445 for questions regarding your health & welfare eligibility.

Defined Contribution Benefit Plan (Part B)

- A. The Application forms will be sent to the member when forms are requested from the Plan office.
- B. The Member must fully complete all of the forms and return them to the Plan office with all of the following documents:
 - 1. Proof of Age (member and spouse, if no spouse then beneficiary)
 - 2. Divorce Documents, if applicable including Qualified Domestic Relations Order
 - 3. Copy of marriage license (if married)

If you are applying for a disability retirement please provide a copy of your social security disability award.

- C. Once we have received the application in our office and reviewed it for completeness we will forward you the retirement packet and option forms along with the other documents required by the plan for retirement.
- D. Part B benefits are payable as follows:
 - 1. Lump Sum
 - 2. Partial Lump Sum
 - 3. Monthly Installment Payments
 - 4. Total Rollover of Funds
 - 5. Purchase of Annuity (Life Annuity, 50%, 75% or 100% Joint and Survivor)
 - 6. Partial Rollover
 - 7. Periodic Payments (10 yr distribution)
 - 8. Periodic Payments (10 yr distribution @ 8, 9, or 10%)
 - 9. Postpone payment until further notice or until the date at which the IRS requires.

Please be advised that United Administrative Services will have a representative on site at the Local office once a month to help you fill out your paper work and answer any questions you may have regarding your retirement benefits. Please call the Union for the perspective dates and to make an appointment.

14. **If you are applying for Disability Retirement, are you receiving Social Security Benefits?**

Yes

No

(If "Yes", attach a photocopy of your Social Security Award)

**IT IS ABSOLUTELY ESSENTIAL THAT YOU BE AS ACCURATE AS POSSIBLE IN YOUR REPLIES.
INCORRECT OR INCOMPLETE INFORMATION MAY DELAY PAYMENT OF YOUR PENSION BENEFITS.**

As a retiree of the San Mateo County Electrical Construction Industry Retirement Trust, (Local #617) I acknowledge that I will be bound by all the Rules and Regulations of the San Mateo County Electrical Construction Industry Retirement Trust (Local #617) and that I will personally endorse each Pension check for my own use or that it will be deposited directly to my bank account.

I realize that all information on this application will be used for determining my Pension Credits and Benefits, if any, and I hereby declare under perjury that the foregoing is correct to the best of my knowledge.

Date

Signature

INSTRUCTIONS CONCERNING SUBMISSION OF PROOFS OF AGE

The acceptable proofs of your age are listed below in two groups. Submit a photostat copy of one of the proofs listed in Group I. If you have it or can possibly obtain it since this class of age is more convincing.

If you cannot submit a proof in the Group 1 classification, submit photostat copies of two (2) of the proofs listed in Group II. You are cautioned, however, that naturalization papers, United States Passports and Immigration papers may not be photostated. If you are submitting any of these, you must send the original. It will be returned to you.

Additional proofs of age may be requested if the documents you submitted do not constitute convincing proof of your age.

GROUP I

1. A birth certificate
2. A baptismal certificate or a statement as to the date of birth shown by a church record, certified by the custodian of such record.
3. Notification of registration of birth in a public registry of vital statistics.
4. Certification of record of age by the U.S. Census Bureau
5. Hospital birth records, certified by the custodian of such record
6. Document showing approval of Social Security Pension
7. A foreign church or government record
8. A signed statement by the Physician or midwife who was in attendance at birth as to date the birth as shown on their records.
9. Naturalization record (Photostat not permitted : Submit original)
10. Immigration papers (Photostat not permitted : Submit original)

GROUP II

11. Military record
12. Passport (U.S. Passports may not be photostated : Submit original)
13. School records, certified by the custodian of such record
14. Vaccination record, certified by the custodian of such record.
15. An insurance policy which shows the age or date of birth
16. Other evidence such as signed statements from persons who have knowledge of the date of birth

SAN MATEO COUNTY ELECTRICAL WORKERS JOINT TRUST FUNDS

DEFINED CONTRIBUTION PLAN OPTION OF PAYMENT EXAMPLES

The Defined Contribution Plan of San Mateo County Electrical Construction Industry Retirement Trust (Local #617) provides that you may select the form of payment you prefer from the following choices:

1. A Total lump sum
- 1b. A Partial lump sum
2. Installment payments
3. An Annuity, in the form indicated (calculated upon request):
 - a) Life Annuity
 - b) 50% Joint & Survivor Annuity
 - c) 100% Joint & Survivor Annuity
 - d) 75% Joint & Survivor Annuity
4. Periodic Payments (10 year Distribution Plan)
5. Periodic Payments (10 year Distribution Plan) 8% 9% or 10%
6. A Partial Rollover
7. A Total Rollover
8. Postpone payment until further notice, or until the date at which the IRS requires distribution of the Defined Contribution Plan (April 1 of the year following attaining the age of 70½).

**APPLICATION FOR COVERAGE AS A RETIREE
UNDER THE RETIRED SAN MATEO ELECTRICAL WORKERS
HEALTH CARE BENEFITS PLAN (IBEW Local 617)**

I hereby make application to the Retired San Mateo Electrical Workers Health Care Benefits Plan (IBEW 617). This application is used to establish plan eligibility only, and is not a health care plan enrollment form. Health care plan enrollment forms and information will be sent to you after you have been approved for retiree benefits.

Name _____ Social Security Number _____
 Address _____ City _____ Zip _____
 Phone Number _____ Pension Retirement Date _____
 Date of Birth _____ Health & Welfare Retirement Date _____
 Requested Date of Retirement * _____

* Your requested date of retirement can be no sooner than the first day of the third month following the date the completed application is received by the Administrative Office.

Spouse's Name _____ Last Date Worked _____
 Spouse's Date of Birth _____ Spouse's Social Security # _____

I Certify the following:

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. I have been eligible under the San Mateo Electrical Workers Health Care Benefits Plan for 10 of the last 15 years and 2 of the last 5 years immediately preceding date of retirement. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. I am currently receiving (or have recently applied for) pension benefits from San Mateo County Electrical Construction Industry Retirement Trust (IBEW Local 617). | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. I had/will have coverage under the San Mateo Electrical Workers Health Care Benefits Plan as of my retirement date. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. When eligible, I will apply for and receive Medicare Parts A and B. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. I am at least 55 years of age and eligible to retire under the Pension Plan. | <input type="checkbox"/> | <input type="checkbox"/> |

I understand that instead of Retiree Coverage, I may self-pay to extend my active plan coverage for a limited time under the federal law known as COBRA. The monthly cost for this coverage will be determined by the Trustees and will end after 18 months as required by COBRA. By applying for the Retiree Plan, I am waiving my rights to COBRA coverage.

Retiree Signature _____ Date _____

Please select the health care plan for which you would like to receive information and an application. You will not be enrolled in a health care plan until you have completed and returned the health care plan application to the Retiree Administrative office, and have been approved by the health care plan provider.

Retiree- Medicare Blue Shield Kaiser
 Early Retiree-Non Medicare Blue Shield Kaiser

FOR ADMINISTRATIVE USE ONLY

Application Approved _____ Authorized By: _____
 Retirement Date _____ / _____ / _____ Date: _____
 Application Denied _____ Sent to Retiree Trust: _____



SAN MATEO COUNTY ELECTRICAL WORKERS JOINT TRUST FUNDS

SPECIAL TAX NOTICE REGARDING PENSION PLAN PAYMENTS

[As of January 1, 2002]

This notice explains how you can continue to defer federal income tax on your retirement funds and contains important information you will need before you decide how to receive your benefits from the San Mateo Electrical Construction Industry Retirement Plan. This notice is provided because all or part of the payment that you will soon receive from the San Mateo Electrical Construction Industry Retirement Plan may be eligible for rollover by you or the Plan to a traditional IRA or another eligible employer pension plan.

A rollover is a payment by you or the Plan of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an "Education IRA"). 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).

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 that plan accepts rollovers and, if so, the types of distribution it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions. If an employer plan accepts your rollover, the 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. You may want to consult with the administrator of the Plan that is to receive your rollover prior to making the rollover.

This notice, which is patterned in many parts on an IRS model notice, is required by federal law. **This notice is not personal tax advice. You should consult with a personal tax advisor for tax advice upon which you want to rely.**

If you have questions after reading this notice, you may contact the Plan at the phone number or address listed above.

Special rules apply for distributions of death benefits to a spouse and other beneficiaries. Those rules are on page 8.

I. GENERAL RULES ON TAXATION AND EARLY DISTRIBUTIONS

A. Tax on Distributions. As a general rule, when you receive a distribution directly from a qualified pension plan, such as this Plan, you will pay federal and state taxes on the distribution. (There may be an exception for certain types of payments on account of a disability.) This notice is intended simply to provide you with general information on the tax rules and some of your options as required by applicable law.

B. Potential 10% Additional Tax on Certain Distributions. In the Tax Reform Act of 1986, Congress added section 72(t) to the Internal Revenue Code, which imposes an additional 10% tax on certain early distributions from a qualified plan, unless the distribution meets one of the exceptions listed below. The primary **exceptions to the 10% tax penalty** include:

1. **Eligible Rollover.** You roll over the distribution in the manner described below in Article II.

2. **Early Retirement at Age 55.** A distribution made to you on account of qualifying for early retirement under the Plan on or after age 55.

3. **Certain Disabilities.** A distribution due to your inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long, continued and indefinite duration. (Not all disabilities meet this standard.)

4. **Periodic Payments--Substantially Equal Payments.** Periodic payments which are made in a series of substantially equal periodic installments (at least annually or more often) made for your life or life expectancy or for the joint lives or a term equal to the joint life expectancies of you and a designated beneficiary.

5. **Medical Deduction.** A distribution to the extent such distribution does not exceed the amount allowable as a medical deduction under Internal Revenue Code Section 213.

6. **Death Benefits.** A distribution to your beneficiary or your estate on account of your death.

7. **Certain Domestic Relations Orders.** A distribution to an alternate payee (spouse, child or other dependent) pursuant to a qualified domestic relations order.

WARNING: You may also be liable for state tax penalties. For example, California assesses a 2.5% penalty.

REMINDER: The information in this notice is not intended to be tax advice. Thus, it is suggested that you consult with a tax advisor before you receive your payment.

II. ROLLOVER RULES

A. SUMMARY

There are two ways you may be able to receive a Plan payment that is eligible for rollover treatment. You may have all or any portion of your payment either 1) Paid directly to a traditional IRA that you establish or, if you choose, another eligible employer plan that will accept it and hold it for your benefit. Such payments are known as being PAID IN A "DIRECT ROLLOVER," or 2) the payment can be PAID TO YOU.

1. If you choose a DIRECT ROLLOVER

- . Your payment will not be taxed in the current year and no income tax will be withheld.
- . You choose whether your payment from the Plan will be made directly to your traditional IRA or to another eligible employer plan that accepts your rollover.
- . Your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

2. If you choose to have your Plan Payments That Are Eligible for Rollover Treatment PAID TO YOU

- . You will receive only 80% of the payment because the Plan is required by law to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes. (This rule applies even if you later decide to roll over your benefit within 60 days of your receipt of it.)
- . Your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. If, however, you receive the payment before the Plan's early retirement age of 55, you also may have to pay an additional 10% tax.
- . You can roll over all or part of your payment to your traditional IRA or to another 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% 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.

3. 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 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 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 Office.

B. MORE INFORMATION ON ROLLOVERS AND DISTRIBUTIONS

1. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Certain payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to another eligible employer plan that accepts rollovers. **Payments from the Plan cannot be rolled over to a Roth IRA, SIMPLE IRA, or a Coverdell Education Savings Account.**

The following types of payments **cannot** be rolled over:

a. **Payments Spread Over Long Periods.** You cannot roll over a payment if it is part of a series of equal (or almost equal) 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 ten years or more.

b. **Required Minimum Payments-Age 70-1/2/Retirement.** Beginning when you reach age 70-1/2 or when you retire, whichever is **later**, a certain portion of your payment cannot be rolled over because under IRS rules that portion is a "required minimum payment" that must be paid to you. Special rules apply if you own more than 5% of your employer.

c. **Corrective Distributions.** A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

The Plan Office may be able to tell you if your payment includes amounts which cannot be rolled over.

2. DIRECT ROLLOVER

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional 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 Part II above. In a DIRECT ROLLOVER, the eligible rollover distribution is paid directly from the Plan to a traditional IRA or an eligible employer plan that accepts rollovers. If you choose a DIRECT ROLLOVER, you are not taxed on a payment until you later withdraw the funds from the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any portion of your Plan benefits for which you choose a DIRECT ROLLOVER.

a. **Direct Rollover to a Traditional IRA.** You can open a traditional IRA to receive the DIRECT ROLLOVER. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to determine how your payment should be made. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. You may wish, however, to consider whether the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

b. **Direct Rollover to a Plan.** If you are employed by a new employer that has an eligible employer plan, and you want a Direct Rollover of your Plan payments to that plan, ask the administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. If your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, that 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. You should consult with the plan administrator of that plan before making your decision.

c. **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 less than ten years, your choice to make or not make a DIRECT PAYMENT for a payment will apply to all later payments in the series until you change your election. You may change your election for any later payment in the series.

d. **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. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. If, however, you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are under Age 59-1/2" and "Special Tax Treatment if You Were Born before January 1, 1936."

3. PAYMENT PAID TO YOU

If your payment can be rolled over (see Part II above) and the payment is made to you in cash (including a check), it is subject to 20% federal income tax withholding. The payment is taxed

in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or another eligible employer plan that accepts rollovers. If you do not roll over the payment, special tax rules may apply.

C. **INCOME TAX WITHHOLDING:**

1. **Mandatory Withholding.** If any portion of your payment can be rolled over under Part II above and you do not elect a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of that amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a payment of \$10,000, 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, you will report the full \$10,000 as a payment from the Plan. You are required to report the \$2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than \$200.

2. **Voluntary Withholding.** If any portion of your payment is taxable but cannot be rolled over under Part II above, the mandatory withholding rules described above do not apply. In this situation, you may elect not to have withholding apply to that portion. To elect out of withholding, ask the Plan Office for the election form and related information.

3. **Sixty-Day Rollover Option.** If you receive a payment that can be rolled over under Part II above, you can still decide to roll over all or part of it to a traditional IRA or another 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 a traditional IRA or an 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 the eligible rollover distribution including an amount equal to the 20% 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% that you received, you will be taxed on the 20% that was withheld.

Example: Your eligible rollover distribution 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 eligible employer plan. To do this, you roll over the \$8,000 you received from the Plan, you will have to find \$2,000 from other sources (such as your savings or a loan). In this case, the entire \$10,000 is not taxed until you take it out of the traditional IRA or 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 receive a refund of part of the \$2,000 withheld. (Any refund is likely, however, to be larger if you roll over the entire \$10,000.)

4. Additional 10% Tax if you are Under Age 59-1/2. These rules are also described in Part I above. [NOTE: This 10% penalty does not apply to beneficiaries receiving death benefits.] If you receive a payment before you reach age 59-1/2 and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The 10% penalty does not apply to your payment if it is (1) paid to you because you separate from service with your employer during or after the year you reach age 55 (i.e., the Plan's early retirement age), (2) paid because you retire due to disability, (3) paid to you as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (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. See IRS Form 5329 for information on the additional 10% penalty. (These rules are also described on pages 1-2 above.)

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59-1/2, unless one of the exceptions applies.

5. Special Tax Treatment if You Were Born before January 1, 1936. If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Part II and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. If, however, the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59-1/2 or you have separated from service with your employer (or, for a self-employed individual, because you reached age 59-1/2 or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a Participant in the Plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions is described below.

a. Ten Year Averaging if Born before January 1, 1936. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one time election to figure the tax on a payment by using "10 year averaging" (using 1986 tax rates). The goal of 10 year averaging is to reduce your tax.

b. Capital Gain Treatment if Born before January 1, 1936. In addition, if you receive a lump sum distribution and you were born before January 1, 1936 and if you were a Participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan taxed as a long term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example,

you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, a governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a payment from the Plan (or certain other similar plans of the employer), you cannot use this special tax treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

If you roll over your payment to a traditional IRA, you will not be able to use this special tax treatment for later payments from the traditional IRA. Also, if you roll over only a portion of your payment to a traditional IRA, this special tax treatment is not available for the rest of the payments. Additional restrictions are described in IRS Form 4972, which has more information on lump sum distributions and how you elect the special tax treatment.

III. DEATH BENEFITS-SURVIVING SPOUSES AND SURVIVING BENEFICIARIES

The rules summarized above for payments to employees also apply, generally, 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," which is an order issued by a court, usually in connection with a divorce, past due child support, or a legal separation. Some of the rules summarized above also apply to a deceased employee's beneficiary who is not a spouse. There are, however, some exceptions.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over 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 to a traditional IRA but you cannot roll it over to an eligible employer plan. If you are an alternate payee, you have the same choices as the employee. Thus, you can have the payment paid as a DIRECT ROLLOVER or paid to you. If you have it paid to you, you can keep it or roll it over yourself to a traditional IRA or to another qualified employer plan that accepts rollovers.

If you are a beneficiary other than a surviving spouse or an alternate payee, you **cannot** choose a DIRECT ROLLOVER, and you **cannot** roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or other beneficiary, your payment is not subject to the additional 10% tax described 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, as described in Section II 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

This notice summarizes only the federal tax rules that might apply to your payment (although the state tax penalty for early distributions is referenced once on page 2). The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, it is suggested that you consult with a professional tax advisor before you elect payment of your benefits from the Plan. In addition, more specific information on the tax treatment of payments from qualified retirement plans is available in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, or on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.