



SAN MATEO COUNTY CHAPTER  
NATIONAL ELECTRICAL  
CONTRACTORS ASSOCIATION

SAN MATEO COUNTY

## ELECTRICAL WORKERS JOINT TRUST FUNDS



LOCAL UNION 617  
INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS

Dear Participant,

Enclosed you will find an application for distribution from the San Mateo Electrical Construction Industry Retirement Plan.

The Plan recommends you apply 60 days prior to your planned retirement date. To be entitled to a distribution from your Defined Contribution Pension Plan you must be a vested member of the Plan and have terminated your work in covered Employment or any Electrical Construction Industry for thirty (30) days and you should not be on the Unions out of work list during that 30-day period.

Please complete the application enclosed and return to the Fund office along with **copies of the following documents:**

1. Birth Certificate or other Proof of Age
2. Spouse's Birth Certificate or other Proof of Age
3. Marriage Certificate
4. Disability Notice of Award from Social Security (if applicable)
5. Divorce – Final Dissolution of Marriage (if applicable)
6. Your Community Property Settlement Agreement or QDRO (if applicable)

Please be advised, **if you have questions regarding your Health and Welfare please contact the eligibility department at (408)288-4433.**

In addition, applications and requests are processed in the order being received, the fund office has 30 business days to process your request. A self-addressed envelope is enclosed for your convenience.

If you require any further assistance or information, please do not hesitate to contact our office at (408)288-4555 or (408)288-4437 or 1(800)541-8059 Ext. 4437 or 4555 (California Residents Only). You may also visit the Plan website: **[www.IBEW617Benefits.com](http://www.IBEW617Benefits.com)**.

Sincerely,

United Administrative Services

United Administrative Services, P.O. Box 5057, San Jose, CA 95150-5057  
Telephone (408) 288-4400 Toll Free (800) 541-8059 Fax (408) 288-4439

**SAN MATEO ELECTRICAL CONSTRUCTION INDUSTRY RETIREMENT PLAN**  
**APPLICATION FOR DISTRIBUTION**  
**ADMINISTRATIVE OFFICE**  
**6800 Santa Teresa Blvd. Ste. 100, San Jose, CA 95119**  
**(408) 288-4437**

**Application Type**

- Early Retirement (Age 55+)                       Disability Retirement (Social Security Award)  
 Normal Retirement (Age 65+)                       Terminally Ill
- 
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**Personal Data**

Name of Participant: \_\_\_\_\_ Social Sec. No. : \_\_\_\_\_  
Address: \_\_\_\_\_ Date of Birth: \_\_\_\_\_  
\_\_\_\_\_ Telephone No.: \_\_\_\_\_  
Cell Phone No. \_\_\_\_\_ E-Mail Address: \_\_\_\_\_  
Date You Plan to Retire: \_\_\_\_\_ Last Date Worked: \_\_\_\_\_  
Marital Status:  Single  Married  Divorced\*  Separated-Date of Separation \_\_\_\_\_  
 Widowed (If you are widowed, please provide a copy of your spouse's death certificate)

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Spouse Name: \_\_\_\_\_  
Spouse Social Sec. No.: \_\_\_\_\_ Spouse Date of Birth: \_\_\_\_\_

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**Answer The Following Questions**

1. Do you have an outstanding Plan Loan?  Yes  No **If yes, please select one of the following:**
- I elect to continue to make monthly payments to my outstanding Loan (Please be advised, to continue to Secure your loan the Plan must hold a balance in the account in the same amount of the Loan).
- I elect to deem the remaining balance of my Plan Loan and declare it a distribution from the Plan in which 20% Federal withholding will be requested from my account to pay the applicable taxes (CA State taxes may be withheld upon request).

\*If divorced, please provide copies of your Final Judgment or Dissolution of Marriage, and any Marital or Settlement Agreement, Qualified Domestic Relations Order and /or other document addressing your pension benefits.

2. Is any portion of your Pension Benefit payable to someone else under a Court Order, such as a Qualified Domestic Relations Order (or a Court reserves jurisdiction over your pension)?

Yes  No

If yes, please explain (and attached any Qualified Domestic Relations Order, Marital Settlement Agreement and/or other pleading or divorce document that addresses your pension benefits.)

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3. If you are applying for Disability, are you receiving Social Security Benefits?

Yes  No (If “Yes,” provide a photocopy of your Social Security Award)

If not received yet, please provide a copy of your Social Security Disability application.

4. Do you have a partial or total ownership interest in a business in the electrical Industry?

Yes  No

If yes, please indicate the percentage of ownership, including the name of the business, and explain your role and responsibilities..

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5. Is it your intention to perform any work in the electrical industry after retirement? This includes any type of work, including a consultant, independent contractor, owner, self-employment, supervisor, or any other position?  Yes  No

If yes, please describe your intended work position.

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**TERMINATION OF EMPLOYMENT ACKNOWLEDGEMENT**

To be entitled to a distribution, you must have terminated your work in covered employment (or any employment in the Electrical Industry). To enforce this rule, which is required by the internal revenue code and the IRS, the Plan provides that **no distribution can be made until at least 30-day has elapsed since your last Covered Employment.** If you work in Covered Employment during that period, you will **NOT** be entitled to a distribution from the Plan (because you will not have incurred a termination of Employment).

The Board of Trustees requires that you declare under penalty and perjury or otherwise that you are not working as an Electrician or otherwise in the Electrical Industry. The board may require such proof as often as it deems reasonable under the circumstances. The Board may delegate this responsibility to the Fund Manager, legal counsel or to any other person or entity on behalf of the Plan.

I swear under penalty and perjury under the laws of the state of California that I am not working as an Electrician or performing ANY OTHER WORK IN THE ELECTRICAL INDUSTRY and that I have no plans to do so in the future after my retirement and/ or distribution of my funds. I also swear under penalty and perjury under the laws of the State of California that neither my spouse nor I have an ownership interest in business in the Electrical Industry and that we have no plans to do so in the future after my retirement and /or distribution of my funds.

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 the San Mateo County Electrical Construction Industry Retirement Plan (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 Benefits, if any and I hereby declare under perjury that the foregoing is correct to the best of my knowledge.

I understand that the falsity of any statement on the form and/or the furnishing of fraudulent information or documents, is sufficient reason for the postponement, denial or suspension of Plan benefits and that the Board of Trustees, or the Board's delegate, has the right to recover any benefit payments and attorney's fees and costs incurred as a result of such false statements and/or submission of fraudulent information.

I certify under penalty of perjury under the laws of the State of California and the Employee Retirement Income Security Act that the foregoing information provided on this form and any attachment is true and correct.

\_\_\_\_\_  
**Signature of Applicant**

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

**DISTRIBUTION OPTIONS**

**1. Cash Distribution (Partial or Total Lump subject to 20% withholding).**

You may elect a Partial or Total lump sum distribution of your account balance paid out to you.

Total Lump Sum Distribution (100% Account Balance Paid to participant).

Partial Lump Sum Distribution \$ \_\_\_\_\_ ( Gross /  Net).

Monthly Distribution \$ \_\_\_\_\_ ( Gross /  Net) Effective Date \_\_\_\_\_  
(You may elect a specific monthly payment in \$100 increments or more).

Partial Lump Sum Distribution \$ \_\_\_\_\_ ( Gross or  Net) following by Monthly Payments of \$ \_\_\_\_\_ (\$100 increments or more).

**I understand that a partial or total lump sum distribution is subject to mandatory Federal income tax withholding of twenty percent (20%) unless the payment is a direct rollover to an Individual Retirement Account or a qualified retirement Plan. To receive your distribution by the first of the following month, your request must be received by the Administrative Office no later than the 15<sup>th</sup> of the current month.**

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**Signature of Applicant**

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**Date**

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**2. Direct Rollover**

You may elect a Partial or Total Rollover of your individual account balance to an IRA of your choice or to another tax-qualified retirement plan that will accept your rollover distribution.

Total Rollover (100% Account Balance)       Partial Rollover \$ \_\_\_\_\_

Name of Financial Institution or Plan to whom the Rollover payment will be issued to:  
(Name, Address, Account Number)

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**Signature of Applicant**

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**Date**

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**3. Annuity Option**

I understand that if I am married when I retire, the normal form of payment is the Joint and 50% Survivor Annuity Option, whereby my Individual Account balance with the Plan will be converted to provide a reduced monthly payment for my lifetime so that in the event I die before my spouse, 50% of the reduced monthly pension will continue to my spouse for the remainder of his or her lifetime, unless I provide written consent before a notary. If you choose any of the following options the Plan will use your Individual Account balance to provide such annuity from an insurance company or other entity at then current market rates, or determine your monthly benefit payable directly from your Individual Account based on standard life expectancy tables as required under applicable law. Regardless, monthly payments made directly from the Plan will terminate when your Individual Account balance reaches zero even if you live longer than the age projected under the life expectancy tables.

- Single Life Annuity
- 50% Joint & Survivor Annuity
- 75% Joint & Survivor Annuity
- 100% Joint & Survivor Annuity

I understand that each of these Annuity options is described in the Summary Plan Description and the Plan document, which I have had the opportunity to review.

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<b>Signature of Applicant</b>	<b>Date</b>
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**4. Postpone Retirement Benefits**

**I wish to postpone my payment until further notice**, or until the date at which the IRS requires a distribution (your Required Minimum Distribution Age (“RMD”)) of my Defined Contribution Pension Plan (April 1 of the year following my attainment of age 72, 73 if you reach 72 after December 31, 2022, known as your “RMD”). (Note: Federal Law requires you to begin distribution of your account by April of the year following the later of the year of your 72<sup>nd</sup> birthday or retirement date.) If you attained age 70-1/2 prior to December 31, 2020, and were not working in Covered Employment, your RMD is age 70-1/2. Not taking your required minimum distribution could result in the IRS assessing a significant penalty against you.

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<b>Signature of Applicant</b>	<b>Date</b>
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**PARTICIPANT EXECUTION OF FORM**

I certify that the information contained in this Distribution Request form is, to the best of my knowledge, accurate and complete. I also certify that I have received and have read the Tax Notice Regarding Plan Payments and the Notice of Spousal Rights. I consent to an immediate distribution of my Account Balance in the manner specified above. I understand that if I am married and choose a different form of payment other than the Joint Survivor and Annuity payment form, I need to obtain my spouse's consent. I understand that I am liable for any income tax and/or penalties assessed by the IRS for any election I have chosen. I further understand that once my payment has been processed, it cannot be changed except as permitted under the Plan rules.

**Waiver of 30-day Notice Requirement—My Desire to Have Benefits Paid Earlier.** I acknowledge that I have been informed that federal law provides that my spouse and I can have at least 30 days after we have received a written explanation of the Joint and 50% Survivor Annuity form of benefit, including my right to waive the form with the written consent of my spouse, the effective of such a waiver and the right my spouse and I each have to revoke that waiver and consent. I also have been informed that I may waive the 30-day notice period and instead elect a 7 day notice period, which will permit the Plan to commence payment of benefits to me sooner (my desires), provided my spouse also consents in writing to waive of the 30 day election period.

\_\_\_\_\_ I elect to waive the 30-day notice period.

\_\_\_\_\_  
**Signature of Applicant**

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

**SPOUSAL CONSENT TO THE PAYMENT ELECTION**

I \_\_\_\_\_ (Spouse Name), the spouse of the Plan participant for whom this application is being filed, understand that I have a community property or other interest in my spouse’s retirement benefits. I further understand that my spouse may not withdraw any funds from the Defined Contribution Account unless I give my written permission and consent below, except in the form of a Joint and 50% Survivor Annuity.

I acknowledge that under federal law the normal form of retirement benefit for a married participant is a Joint and Survivor annuity. I hereby voluntarily consent to the waiver of both the Qualified Joint and Survivor Annuity (“QJSA”) and Qualified Pre-Retirement Survivor Annuity (“QPSA”) (if my spouse dies before beginning to receive benefits). I certify and understand 1) my right to refuse to consent to this waiver election, 2) the financial effect of the election not to receive benefits in the QJSA and/or QPSA form, and 3) if I do not give my consent by signing this agreement, then my spouse and I will receive payments in the form of a QJSA or QPSA (if applicable). I understand that if the benefits are paid in a complete lump sum from the Plan, there will be no death benefits paid to me from the Plan at the time my spouse dies.

I hereby voluntarily consent to my spouse’s election of the \_\_\_\_\_ distribution indicated above. I further understand that my consent cannot be changed unless my spouse revokes his/her waiver election prior to the commencement date for payment of benefits.

I also waive the right to have 30 days to make a decision on this waiver as noted above in the section in which my spouse was given the right to have 30 days to make a decision (allowing a quicker distribution).

\_\_\_\_\_  
Name of Spouse (Print)

\_\_\_\_\_  
**Signature of Spouse  
(Signature Notarized)**

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

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**NOTARY**



**SAN MATEO ELECTRICAL CONSTRUCTION INDUSTRY  
RETIREMENT PLAN  
ELECTRONIC FUNDS TRANSFER (EFT) APPLICATION**

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*Please attach voided check here.*

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**Name:** \_\_\_\_\_

**Social Security #:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Telephone #:** \_\_\_\_\_ **E-Mail Address:** \_\_\_\_\_

I request that my pension benefit check be deposited electronically into:

**Bank Routing #** \_\_\_\_\_

**Checking Account #** \_\_\_\_\_

**Savings Account #** \_\_\_\_\_

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I authorize the Plan to deposit my pension directly into my bank account as set forth above and below. I agree with and understand the following:

- (A) This Direct Deposit request is to remain in effect until written notification is given to the plan office or the plan office no longer offers Direct Deposit via ***Electronic Funds Transfer***.
- (B) It is my responsibility to provide any bank changes (account #, name, or address) to the plan office in advance to assure timely receipt of my benefit.
- (C) If my home address changes, I will timely advise the plan office of the changes in writing.
- (D) There will be a transaction reversal for any amount deposited into my account that I am not entitled to receive.

**Signature:** \_\_\_\_\_

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

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For office use only: ( )Add ( )CA ( )Change ( )CA/Nacha Screen ( )Delete

**CALIFORNIA STATE WITHHOLDING FORM**

Please withhold the following California State Income Tax from my elected distribution:

- I elect to have No State Income Tax withheld from my pension payment.
  
- I elect to have State Income Tax withholding deducted from gross benefit in the percentage of \_\_\_\_%.
  
- I elect to have State Income Tax withholding in the amount of \$\_\_\_\_\_.
  
- Other \_\_\_\_\_.

\_\_\_\_\_  
**Signature of Applicant**

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



SAN MATEO COUNTY CHAPTER  
NATIONAL ELECTRICAL  
CONTRACTORS ASSOCIATION

SAN MATEO COUNTY

# ELECTRICAL WORKERS JOINT TRUST FUNDS



LOCAL UNION 617  
INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS

To: The Board of Trustees of The  
San Mateo Electrical Construction Industry Retirement Plan

I \_\_\_\_\_, do hereby declare that I am retiring and will no longer work as an  
(Print Name)

electrician in the State of California. For this purpose, you will be considered to be working as an electrician if you are employed in any capacity in the electrical industry in the state of California as defined below:

The term "Electrical Construction Industry" means all branches of Electrical Industry. This includes working as a supervisor, estimator, salesman, consultant, or self-employed in any branch of the Electrical Construction Industry, or any other work involving any Electrical knowledge you have acquired as a participant. Such work, known as Prohibited Employment, includes but is not limited to (1) work in Employment of the type performed by employees covered by the Plan whether or not under the Collective Bargaining Agreement, also known as "Covered employment" ; (2) work which requires directly or indirectly the use of the same skills used by employees covered by the Plan on the date of the pension became effective; (3) work in employment compensation or wages of any kind or for profit in the Electrical Construction Industry; (4) work for a profit as an owner or partner in any business directly or indirectly connected with the Electrical Construction Industry; (5) work were you supervise employees in the same craft or trade or directly or indirectly use the same skills as employees covered by the Plan on the date you retire.

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Date

United Administrative Services, P.O. Box 5057, San Jose, CA 95150-5057  
Telephone (408) 288-4400 Toll Free (800) 541-8059 Fax (408) 288-4569

# **YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to an Individual Retirement Account (“IRA”) or an employer plan. This notice is intended to help you decide whether to do such a rollover (and is patterned on an IRS Sample Notice).

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans).

Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section below.

## **A. GENERAL INFORMATION ABOUT ROLLOVERS**

### **1. How can a rollover affect my taxes?**

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ (age 55 if you terminated your Covered Employment on or after age 55) and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally distributions made before age 59½ unless an exception applies). If, however, you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax (and premature state tax penalty) will not apply if those payments are made after you are age 59½ (or if an exception applies).

### **2. What types of retirement accounts and plans may accept my rollover?**

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, 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.

### **3. 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.

a. 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.

b. 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). 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 federal income tax (and potential State tax penalties, which is 2.5% in California) on early distributions if you are under age 59½ (unless an exception applies, such as terminating your employment on or after age 55).

#### **4. 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 at age 73 for any person attaining age 72 after December 31, 2022 (if you attained age 70-1/2 prior to January 1, 2020, your Required Minimum Distribution Age is age 70-1/2, and if you were born after June 30, 1949, the RMD is age 72 ) or after death;
- Hardship distributions;
- 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).

The Plan Office can tell you what portion of a payment is eligible for rollover.

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

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

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

- **Payments made after you separate from service if you will be at least age 55 in the year of the separation;**
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments made due to certain disabilities;
- Payments after your death;
- Corrective distributions of contributions that exceed tax law limitations;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);

- Payments of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year)
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days; and
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters.
- Payments made to a Participant after December 31, 2022, if the person is not working in Covered Employment and has been determined to be terminally ill (physician certifies the illness or condition is reasonably expected to result in death in 84 months or less); and
- Payments made after December 31, 2022, to a Participant living in a federally declared disaster area who suffered harm as a result of the disaster up to a maximum of \$22,000.

**6. If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?**

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions 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. There are, however, a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

Additional exceptions apply for payments from an IRA, including:

- (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

**Will I owe State income taxes? Yes, most likely.**

This IRS-mandated Notice, which is patterned on an IRS Sample Notice, is not intended to address state taxes if you are under age 59-1/2 (and age 55 if you are terminated on or after age 55). The following information is provided for your assistance. If you reside in California, you will owe taxes on a distribution, including the premature tax distribution penalty of 2.5%. Please note that state or local income tax is withheld only for those states where such withholding is mandatory. If you reside in a state that has a state income tax, and the state does not have a mandatory

withholding rule, you will be responsible for any state income taxes due on the taxable portion of your distribution.

## **B. SPECIAL RULES AND OPTIONS**

### **1. If you miss the 60-day rollover deadline**

Generally, the 60-day rollover deadline cannot be extended. The IRS has, however, the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

### **2. 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. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies, as well as the state premature tax penalty, if applicable). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive Plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of Plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a Plan loan in good standing is offset because your Plan terminates, or because you sever from employment. If your Plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

### **3. If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

### **4. If you roll over your payment to a Roth IRA**

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*. You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

## **5. If you are not a Plan Participant**

a. Payments after the Participant's death. 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. But, the 10% additional tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the Participant was born on or before January 1, 1936.

1. **If you are a surviving spouse.** If you receive a payment from the Plan as the surviving spouse of a deceased Participant, you have the same rollover options that the Participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA. An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless one of the exceptions listed above applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

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. If, however, 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 reaches the Required Minimum Distribution ("RMD") Age. The RMD age is as follows: born on or before 6/30/49, the RMD age is 70-1/2; born between 7/1/49-12/31/50, the RMD age is 72; born on or after 1/1/52, the RMD is 73. Thus, if you attained age 72 before January 1, 2023 (and after December 31, 2020), the RMD is age 72. If you attain age 72 after December 31, 2022 and will attain age 73 before January 1, 2033, your RMD is age 73.

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. Payments from the inherited IRA will not be subject to the



10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

b. Payments under a qualified domestic relations order. If you are the spouse or 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 and the same tax treatment that the Participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

## **6. 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*.

## **7. Other special rules**

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

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at [www.irs.gov](http://www.irs.gov).

## **C. FOR MORE INFORMATION**

**It is recommended that you consult with a professional tax advisor if you have questions before taking a payment from the Plan.** You also may speak to the Plan Office (but the Plan Office does not provide tax advice). Also, you can find more detailed information on the federal tax treatment of payments from plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. **These publications are available from a local IRS office, on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.**