Security Benefit®

Annuity Contract Proof of Death

Questions? Call our National Service Center at 1-800-888-2461.

Instructions

Use this form to claim proceeds payable upon the death of the owner of a Security Benefit Life Insurance Company ("Security Benefit") annuity contract that has not been annuitized. The transaction(s) will be processed as of the valuation date Security Benefit receives all completed required paperwork and documents.

Who must complete this form?

Each annuity contract beneficiary ("Beneficiary") must complete this form to claim their portion of the death benefit. Only one certified copy of the death certificate is required to be submitted.

- To elect a lump sum distribution, complete SECTION 1, 2 AND 3 AND CONTINUE AS APPLICABLE. This is the only option available for deaths that occurred prior to 1/1/2020, if the death benefit due to each beneficiary is less than $2,000, or if the beneficiary is the Estate.
- If you are a spouse beneficiary and you want to continue your deceased spouse's annuity contract, complete SECTION 1, 2 AND 4 AND CONTINUE AS APPLICABLE
- To establish an Inherited IRA account (Traditional or Roth), complete SECTION 1, 2 AND 5 AND CONTINUE AS APPLICABLE.
- To establish a Non-Qualified Stretch Annuity, complete SECTION 1, 2 AND 6 AND CONTINUE AS APPLICABLE.

See the INFORMATION section at the end of this form for information concerning the types of Beneficiaries, required documentation, and payout options. Security Benefit will not establish an Inherited IRA for the benefit of a trust or entity.

The information in this form is not intended as tax or legal advice. You should consult your tax advisor and/or legal counsel regarding your particular circumstances and legal rights and obligations.

1. Annuity Contract Information

Contract Number _____

Name of Deceased Owner _____ (First) _____ (MI) _____ (Last)

Deceased Owner's SSN / Tax ID Number _____ **Date of Death** _____ (mm/dd/yyyy)

The contract is: ☐ **Enclosed** ☐ **Lost/Destroyed**

2. Beneficiary Information

Type of Beneficiary (select one) ☐ **Spouse** ☐ **Non-Spouse** ☐ **Restricted***

Name _____ (First) _____ (MI) _____ (Last)

Date of Birth _____ (mm/dd/yyyy) ☐ **Male** ☐ **Female**

SSN / Tax ID Number _____

Mailing Address _____ (Line 1) _____ (Line 2)

_____ (Street Address) _____ (City) _____ (State) _____ (Zip Code)

Phone Number _____ **Email Address** _____

☐ **Select this box if the contract has multiple Beneficiaries and you want your share of the death benefit paid immediately rather than waiting until all Beneficiaries have submitted their claims. All the paperwork required for your claim must be in good order before it will be processed. Please be advised that immediate payment may result in your share of the death benefit being different than the share(s) of the other Beneficiary(ies) due to changes in the contract value at the time the claims are processed.**

***If you are a Restricted Beneficiary (as stated in the enclosed letter):**

- Complete the Required Minimum Distribution (RMD) In Year of Owner's Death section, only if the letter instructed you to do so.
- Complete the Payment Information and Instructions and Provide Bank Information sections because an Electronic Funds Transfer (EFT) is required.
- Complete the Signatures section.

3. Lump Sum Payment

☐ **Lump Sum Payment** — Receive your entire share of the death benefit in one payment
If the death benefit is less than $2,000, this is the ONLY option available

Skip to Section 8 (complete applicable sections)

4. Contract Continuation (Not Available For 403(b) Contracts)

All provisions of the existing annuity contract will continue as they currently are, including any automatic transactions previously set up by the deceased owner, any options previously selected by the deceased owner, and the current account allocations.

After continuing the annuity contract, you can make changes to the contract as permitted by the contract terms. Such changes must be requested independently from this Proof of Death Form.

Select one

☐ **Spousal Continuation** — The deceased owner's existing annuity contract will continue, and you will be the new owner.

Only available to a spouse designated as the sole primary Beneficiary of the deceased owner's annuity contract.

☐ **Non-Qualified Jointly Owned Contracts** — The remaining joint owner has the option to treat as their own and will become the sole annuitant and owner.

Only available to jointly owned contracts.

A. Transfer Contract at the Time of Claim (Optional)

After registering the annuity contract in your name, you may directly transfer (IRA or Roth IRA annuity contracts) or 1035 exchange (Non-Qualified annuity contracts) to another carrier, an existing Security Benefit product, or a new Security Benefit product with no charges. Select the applicable option below and submit the appropriate documentation with this form.

THESE OPTIONS ARE ONLY AVAILABLE WITHOUT CHARGES OR FEES AT THE TIME OF YOUR CLAIM. ALL REQUIRED DOCUMENTS MUST BE SUBMITTED WITH THIS FORM.

○ **Direct transfer / 1035 exchange to another carrier**
Submit ACORD 951e form OR accepting carrier's transfer form WITH accepting carrier's letter of acceptance

○ **Direct transfer / 1035 exchange to existing Security Benefit IRA / Non-Qualified Annuity**
Submit ACORD 951e form

○ **Direct transfer / 1035 exchange to new Security Benefit IRA / Non-Qualified Annuity**
Submit annuity application, applicable new business paperwork, ACORD 951e form

Skip to Section 11

5. Establish An Inherited IRA (Traditional Or Roth)

This option is only available if selected and payments begin within 1 year of the deceased owner's death. If after 1 year of the deceased owner's death, lump sum payment is the only option available.

Select one

○ **Establish an Inherited IRA and direct transfer the funds to a new Security Benefit product.**
Submit annuity application and new business paperwork
Continue to A, B and C below, then move to SECTION 7.

○ **Establish an Inherited IRA and direct transfer the funds to another carrier.**
Submit ACORD 951e form OR accepting carrier's transfer form WITH accepting carrier's letter of acceptance
Continue to C then move to SECTION 11.

A. Elect Your Payout Option

Your payout options and obligations depend on (1) what type of Beneficiary you are, and (2) whether the owner was eligible to take Required Minimum Distributions (RMD) because they had reached their Required Beginning Date (RBD) or the account is a Roth IRA. For more information on beneficiary types and RBD, refer to the instructions section. Use your answers to these questions and the table below to determine your payout option(s). **Select the applicable boxes in the table below.**

Beneficiary Types are defined in the 'Definitions' section of this form.

Beneficiary Type			Payout Options	
Spouse →	Owner did NOT reach RBD prior to death OR Roth IRA →	Choose One	☐	Distributions over a period not to exceed your life expectancy. You may delay distributions until the date deceased owner would have reached their applicable age.
			☐	10 Year Payout — Distributions NOT required in years 1 through 9.
	Owner reached RBD prior to death →		☐	Distributions over a period not to exceed the longer of (i) your life expectancy, and (ii) the deceased owner's remaining life expectancy.
Eligible Designated Beneficiary →	Owner did NOT reach RBD prior to death OR Roth IRA →	Choose One	☐	Distributions over a period not to exceed your life expectancy.
			☐	10 Year Payout — Distributions NOT required in years 1 through 9.
	Owner reached RBD prior to death →		☐	Distributions over a period not to exceed the longer of (i) your life expectancy, and (ii) the deceased owner's remaining life expectancy.
Non-Eligible Designated Beneficiary →	Owner did NOT reach RBD prior to death OR Roth IRA →		☐	10 Year Payout — Distributions NOT required in years 1 through 9.
	Owner reached RBD prior to death →		☐	10 Year Payout — Distributions REQUIRED in years 1 through 9 based on the longer of (i) your life expectancy, and (ii) the deceased owner's remaining life expectancy.

B. Payout Selection

If you are required to take distributions, Security Benefit can calculate your payments according to the payout option selected above and establish systematic payments based on the payment frequency you select below.

If you do not want us to establish systematic payments, you will be responsible for taking withdrawals to ensure all applicable Federal tax laws and regulations are satisfied. You can request a withdrawal by submitting a Withdrawal Request form.

Select one

Note: All distributions are subject to the applicable annuity contract terms. Distributions above the available free withdrawal amount may be subject to a surrender charge, bonus recapture, and market value adjustment.

○ When distributions ARE REQUIRED according to the chart above or when selecting a Life Expectancy Payout Option, calculate my required distributions and establish systematic payments:

Payment Start Date _____
(mm/dd/yyyy)

Payment Frequency: ○ Monthly ○ Quarterly ○ Semi-annually ○ Annually

○ When distributions ARE NOT REQUIRED according to the chart above, establish a systematic payment for the amount below.

Payment Amount **$**_____ **OR** **%**_____

Payment Start Date _____
(mm/dd/yyyy)

Payment Frequency: ○ Monthly ○ Quarterly ○ Semi-annually ○ Annually

○ I will take my own withdrawals and/or withdraw the entire amount when required by Federal tax law.
By selecting this option, you assume all responsibility to request withdrawals and ensure all applicable Federal tax laws and regulations are satisfied.

C. Required Minimum Distribution (RMD) in the Year of the Deceased Owner's Death (if applicable)

The IRS requires that the RMD for the annuity contract be satisfied in the year of death for owner's who die on or after their RBD. For more information about the RMD, please refer to the Definitions page at the end of this form.

Select one

☐ The RMD for the year of death has been satisfied from another IRA

☐ Please calculate and withdraw this contract's RMD for the year of death

☐ Please distribute the following amount as RMD for the year of death $ _____

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6. Establish A Non-Qualified Stretch Annuity

Select one

○ **Establish a Non-Qualified Stretch and 1035 exchange the funds to another carrier.**

Submit ACORD 951e form OR accepting carrier's transfer form AND accepting carrier's letter of acceptance

Move to SECTION 11.

○ **Establish a Non-Qualified Stretch and 1035 exchange the funds to a new Security Benefit product.**

Submit annuity application and new business paperwork and indicate distribution start date below.

Complete the Life Expectancy Distributions information below, then move to SECTION 7.

Life Expectancy Distributions

Payment Start Date _____
(mm/dd/yyyy)

Payment Frequency ○ Monthly ○ Quarterly ○ Semi-annually ○ Annually

Only available to natural person beneficiaries. Distributions must begin, within one (1) year of the date of the owner's death. You must receive at least the calculated distribution amount each year.

We calculate the initial Life Expectancy payment using the IRS Single Life Table.

7. Distribution Instructions

Select how distributions are to be withdrawn from the annuity contract or account when establishing a systematic payment.

○ **Pro-rata** (Default)

○ **Specific percentages as indicated below** (must be whole percentages)

Index Account / Investment Option	Percentage (%)
	Must Total 100%

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8. Payment Information And Instructions

Select how you want to receive the funds.

○ **Electronic Funds Transfer (EFT)** – to process three (3) business days after the withdrawal request.

○ **Wire Transfer** – $20.00 processing fee applies.

○ **Send check to the address provided on this form.**

○ **Send check to the third party or brokerage account identified below.** You are liable for any taxes resulting from the distributions, including payments made to a third party or brokerage account. This is a taxable transaction. For non-taxable transactions, the ACORD 951e form is required. An account number is only required if the funds are being sent to a company.

Third Party Name or Company Name _____

Mailing Address _____ (Line 1) _____ (Line 2)

_____ (Street Address) _____ (City) _____ (State) _____ (Zip Code)

Account Number _____ **Phone Number** _____

9. Bank Information (Required Only If You Selected EFT Or Wire Transfer)

Provide your bank information below. If any information is missing, your request may be delayed. Funds may only be distributed to a checking account.

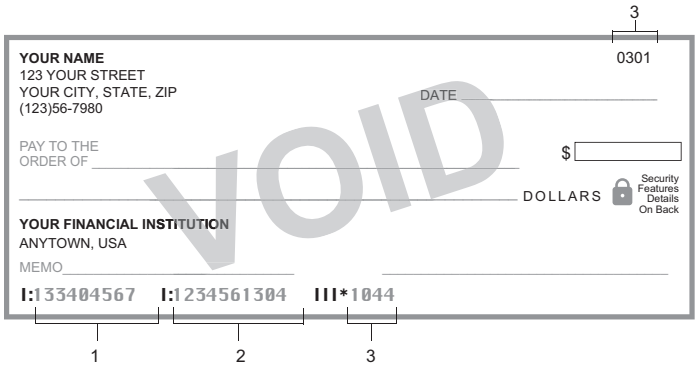
Bank Name _____

Name on Bank Account _____

Bank Routing Number _____

Bank Account Number (Do not include check number) _____

A copy of a BLANK voided check is required in order for funds to be distributed electronically. Attach a copy of a voided check below. If a copy of a BLANK voided check is not received, the distribution will be mailed via check to your address of record. The entire BLANK voided check must be visible. Starter checks are not acceptable.



1. **Routing Number (requires 9 digits)**
2. **Bank Account Number (not to exceed 17 digits)**
3. **Check Number**

10. Tax Withholding

Distributions are subject to Federal and State income tax withholding at the default rate. However, you can elect to change your withholding rate or elect not to withhold Federal income tax from your payments by completing the IRS Form W4-R to submit with this form. Form may be located at www.IRS.gov. Any election you make on the IRS Form W-4R will remain in effect until revoked. You have the right to revoke this election at any time. The election not to have withholding apply is prospective only and any election made after a payment is made to you is not an election with respect to that payment.

If you elect no Federal income tax withholding, you are still liable for payment of Federal income tax on the taxable portion of your distributions. You may also be subject to tax penalties under the estimated tax payment rules if your estimated tax payment and withholding are not adequate. You should consult a tax advisor if you have questions about your Federal or State withholding.

If you do not complete the IRS Form W4-R, the minimum 10% Federal income tax will be withheld from your payments. State income taxes will be assessed where applicable. Once funds have been distributed to you, Security Benefit will not reverse Federal or State withholding.

☐ I am a resident of the state of Iowa, and I certify that I qualify for the retirement income exclusion under I.C.A. 422.7 (effective January 1, 2023). I request that no state taxes be withheld from my withdrawal.

11. Acknowledgment and Certification

By signing this form, I understand, acknowledge, and certify that:

- **All information provided in this form is accurate and true, including my tax identification number.** It is a crime to complete this form with information I know to be false or to leave out information I know to be important. The written statements and affidavits of any physician who attended to or treated the deceased and all other documents provided with this form are hereby made a part of this Proof of Death Form.
- Distribution of Remaining Balance: If selecting an Inherited IRA or Non-Qualified Stretch Annuity at Security Benefit, depending on the payout option I select, the distribution amount in the final year (remaining balance) may be significantly larger than distributions in previous years.
- All terms of this form are binding on my heirs, representatives, and assigns. Security Benefit will rely on the information I have provided in this form. I will not hold Security Benefit responsible for any incorrect statement I have made or incorrect information I have provided. I understand that incorrect statements and information can result in incorrect payments that could subject me to additional taxes and penalties and other adverse tax consequences.
- **Electronic Funds Transfers:** Security Benefit (or its affiliates) will initiate electronic deposits to my bank account. Security Benefit may make additional attempts to deposit if the initial attempt fails. I am liable for any costs associated with these additional attempts. This service is established solely for my convenience and will remain in effect until Security Benefit receives cancellation from me, which will be effective within 30 days of receipt. Security Benefit may suspend, terminate, or modify this service at any time. Any sum of money paid to the bank after my death shall be refunded to Security Benefit, and I hereby authorize the bank to make such refund from the account.
- **Tax Obligations/Penalties:** I am solely responsible for all tax obligations and/or possible tax penalties arising from my selection of a Death Benefit payment option and for compliance with the laws, regulations, and restrictions that govern option. Federal tax law imposes time limits on when the entire Death Benefit must be distributed, and failure to adhere to those limits could result in adverse tax consequences. Failure to follow the rules applicable to a tax-qualified account can jeopardize the tax-protected status of the account and result in the imposition of penalties, additional taxes, and interest, for which I am solely responsible.

Fraud Disclosure: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

AL residents please read: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.

AZ residents please read: For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

CA residents please read: For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

NH residents please read: Any person who, with a purpose to injure, defraud, or deceive any insurance company, files a statement of claim containing any false, incomplete, or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

Tax Identification Number Certification

Instructions: You must cross out item (2) in the paragraph below if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest or dividends on your tax return. For contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct Tax Identification Number.

Under penalties of perjury I certify that: The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); **and** I am not subject to backup withholding because: I am exempt from backup withholding, or I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends or the IRS has notified me that I am no longer subject to backup withholding; **and** I am a U.S. citizen or other U.S. person (as defined in the IRS Form W-9 instructions).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signatures

X _____ _____ _____

Signature of Beneficiary | Signature Date (mm/dd/yyyy) | Designation (include if signing as attorney-in-fact under a power of attorney, trustee, executor, etc.) Supporting documentation of the designation must be provided.

_____

Print Name of Beneficiary

X _____ _____ _____

Signature of Financial Professional (optional) | Signature Date (mm/dd/yyyy) | Print Name of Financial Professional

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INFORMATION

This information is not intended as tax or legal advice. You should consult your tax advisor and/or legal counsel regarding your particular circumstances and legal obligations.

Multiple Beneficiaries: A separate form should be completed by each Beneficiary. Claim processing will begin once forms have been received from all Beneficiaries, unless a Beneficiary elects to have their claim paid immediately (see Section 2).

Beneficiary is an Estate: This form must be completed by the executor or administrator of the estate, and additional court documents must be submitted with this form.

Beneficiary is a Trust: This form must be completed by the trustee, and additional trust documents are required to be submitted with this form.

Beneficiary is a Minor OR an Adult under a Legal Guardianship or Conservatorship: This form must be completed by the court-appointed custodian, guardian, or conservator of the Beneficiary's estate, as required by applicable state law, and court additional documents must be submitted with this form.

Contract was Assigned as Collateral for a Loan Prior to Death: This form must be completed by the assignee, and additional documents must be submitted with this form.

Submit with this form with one (1) original certified copy of the owner's death certificate.

- A photocopy is NOT sufficient.
- Only one copy is required, even if multiple Beneficiaries are submitting separate forms.
- Security Benefit reserves the right to not return a death certificate.

Additional Documents Required:

Owner died in a foreign country: (i) One (1) original certified copy of the owner's death certificate, (ii) a copy of the owner's death certificate translated to English (if applicable), and (iii) one (1) certified copy of the Consular Report of Death of a U.S. Citizen Abroad, obtained from the U.S. Consulate in the country in which the owner/annuitant died.

Current Name of owner OR a Beneficiary differs from the name that appears in the contract: (i) A brief statement explaining the reason for the discrepancy and (ii) sufficient proof of the name change (e.g., marriage license, court order).

Death Benefit is payable to an Estate: One (1) certified copy of the Executor or Administrator Appointment (e.g., Letters Testamentary).

Contract was assigned prior to death: (i) The original assignment OR a certified copy of the original assignment and (ii) a signed and notarized Collateral Assignment form showing the assignment has been released.

Form is completed by a court-appointed custodian, guardian, or conservator of a Beneficiary's Estate: (i) One (1) certified copy of the Court Order appointing individual as custodian/guardian/conservator, (ii) one (1) certified copy of the Letters of Custodianship/Guardianship/Conservatorship, and (iii) any other documents required by the laws of the state in which the appointment was made (e.g., Acceptance of Custodian/Guardian/Conservator).

Death Benefit is payable to a Trust: Full copy of the trust document.

Contract is a Retirement Savings or Governmental 457 Plan: Refer to the Special Tax Notice attached for a summary of the options available to you. Due to strict IRS regulations governing qualified and Non-Qualified annuities, please evaluate your situation carefully and/or consult with your tax advisor to maintain the status of the contract and/or to avoid any potential penalties. Category of Beneficiary:

Beneficiary is an Estate: If no Beneficiary is living (natural person beneficiaries) or in existence (non-natural person beneficiaries) at the time of the contract owner's death, the death benefit is payable to the contract owner's estate.

Certain states permit an estate Beneficiary to receive a death benefit without going through probate proceedings by completing a small estate affidavit. You should consult legal counsel to determine if this option is available to you.

Minor Beneficiary: The Beneficiary's parent or legal guardian may complete this form if the death benefit is under a certain threshold (varies by state). If the death benefit exceeds the threshold, a court-appointed custodian or guardian of the Beneficiary's estate must complete this form. You should consult legal counsel to determine if a court-appointed custodian or guardian is necessary.

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Trust Beneficiary: Current IRS regulations provide a way to "see through" or "look through" a trust directly to the trust beneficiaries, as long as certain requirements are met. You should consult legal counsel and/or your tax advisor to determine if the trust Beneficiary meets these requirements.

Divorce: If a divorce is pending at the time of the contract owner's death, the divorce must be resolved before Security Benefit will process the death benefit claim.

Cause of Owner's Death is Pending or Homicide: Security Benefit requires additional review of these cases prior to payment of the Death Benefit.

Deceased Beneficiary: If one or more of the Beneficiaries are deceased, a certified copy of the death certificate of each deceased Beneficiary must be submitted.

If a Beneficiary died prior to the contract owner, the death benefit may be payable to the deceased Beneficiary's heirs (if the designation was made per stirpes) or to the other named Beneficiaries (if any) or to the named contingent beneficiary(ies) (if any).

If a Beneficiary died after the annuity contract owner but prior to claiming their portion of the Death Benefit, the deceased Beneficiary's portion of the death benefit is payable to the Beneficiary's estate. The Beneficiary's estate should complete this form and submit all required documents.

DEFINITIONS

10 Year Payout: Beneficiary must receive the entire death benefit by the end of the 10th year following the year of the owner's death (e.g., if the owner died on 7/10/2024, the entire death benefit must be received by 12/31/2034). Periodic distributions may be required during the 10-year period depending on when the owner died.

Life Expectancy: Payments over a period not to exceed the beneficiary's life (or the longer of the beneficiary's life and the owner's remaining life expectancy, in certain cases).

Eligible Designated Beneficiary (EDB): A natural person who is any of the following as of the date of the deceased owner's death:

- Owner's surviving spouse (excludes domestic partners)
- Owner's minor children (under age 21)
- Disabled individual (as defined by law)
- Chronically ill individual (as defined by law)
- An individual who is not more than 10 years younger than the owner

Non-Eligible Designated Beneficiary: An individual beneficiary who does not meet the criteria of an EDB.

Required Beginning Date (RBD): The first date the owner was required to begin taking Required Minimum Distributions (RMDs). The owner's RBD depends on their Applicable Age.

Required Minimum Distributions: Beneficiaries are responsible for satisfying the minimum distribution requirements applicable to Inherited IRAs that are imposed by Federal tax law. If the owner had more than one IRA, you must determine the RMD for each account, but you are permitted to take the RMD from the account(s)that best meets your needs. This is only for the year of death. After that, the RMD must be taken annually from this or another Inherited IRA you inherited from the same deceased.

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SPECIAL TAX NOTICE

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you will soon receive from your section 401(a) qualified retirement plan, section 403(b) TSA (tax sheltered annuity or account), section 457 plan, or section 401(k) retirement plan (the "Plan") may be eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

The first portion of 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 available under some employer plans). Rules that apply to distributions from a designated Roth account are provided in the ***"Special Rollover Rules for Roth Distribution Amounts"*** section at the end of this notice. If you are also receiving a payment from a designated Roth account in the Plan, as applicable, please refer to this section of the notice for the rules applicable to that portion of your distribution. If this applies to you, the Plan administrator or the payor will tell you the amount that is being paid from your Roth and non-Roth accounts.

Rules that apply to most payments from a plan are described in the ***"General Information About Rollovers"*** section below. Special rules that only apply in certain circumstances are described in the ***"Special Rules and Options"*** and ***"Special Rollover Rules for Roth Distribution Amounts"*** sections below.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ 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 59 ½) unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

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.

If you desire to roll over your payment to an IRA, you should be aware that you may be limited in your ability to make more than one rollover from an IRA to another (or the same) IRA during one 12-month period. You should consult your personal tax advisor regarding the best options for you if you may be interested in making multiple rollovers from an IRA during a short period of time.

How do I do a rollover?

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

- If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

- If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

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 ("RMD") you take after reaching the RMD age set by the IRS;
- 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); and
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

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

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

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on 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 of up to $5,000 made to you from a defined contribution plan within one year after the birth or adoption of a child;
- Payments made due to disability;
- 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 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;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution;
- Payments for certain distributions relating to certain federally declared disasters; and
- Phased retirement payments made to federal employees.

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 on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) 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.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules). You should consult your personal tax or financial advisor for information regarding these rules.

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. 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. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset. 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. 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 employer plan terminates, or because you ever 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.

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.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under ***"If you were born on or before January 1, 1936"*** do not apply.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income Plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

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 (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

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)*.

If you do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan, as applicable. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section ***"If you were born on or before January 1, 1936"*** applies only if the participant was born on or before January 1, 1936.

- 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 an exception applies) and required minimum distributions from your IRA do not have to start until after reaching the RMD age set by the IRS.

  If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have reached the RMD age set by the IRS.
- 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. If the participant died after December 31, 2019, all required minimum distributions must be made by the end of the 10th year after participant's death.

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.

If you are a nonresident alien

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

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice of 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 for federal income taxes.

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. 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.

SPECIAL ROLLOVER RULES FOR ROTH DISTRIBUTION AMOUNTS

This section describes special rollover rules that apply to payments from the Plan that are from a designated Roth account. If a special rule does not apply, the same rules described above generally apply to the distribution of your Roth contributions.

Generally speaking, after-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed, depending on whether the payment is a qualified distribution. For purposes of these rules, a qualified distribution is a payment made from a Roth account after you are age 59½ (or after your death or disability) and after you have held Roth amounts in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

If you receive a payment from the Plan that is not a qualified distribution and do not roll it over to a Roth IRA or designated Roth account in an employer plan, the earnings included in your payment will be treated similarly to non-Roth amounts that you receive from the plan and do not rollover (for example, the payment is immediately taxable and likely to be subject to a 10% additional income tax on early distributions if you are under age 59½).

If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

How a Rollover Affects My Taxes

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings, including amounts withheld for income tax (unless an exception applies). This tax is in addition to the regular income tax on the earnings not rolled over. The exceptions to application of the 10% additional income tax are described in the ***"If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?"*** section above.

In addition, if you do not do a direct rollover of a nonqualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

If you do a rollover of a nonqualified distribution, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

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

Rollover Options

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

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

If you decide to do a rollover, the same rules described in the ***"How do I do a rollover?"*** section above generally apply. In other words, you can generally do either a direct rollover or a 60-day rollover. However, note that you cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. You should contact the Roth IRA sponsor or administrator of the employer plan you are making a rollover to for more information.

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, the portion directly rolled over consists first of earnings.

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Tax Treatment After Rollover to a Roth IRA

If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA are the same as the exceptions for early distributions of non-Roth amounts from the Plan (see the ***"If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?"*** section above). However, there are a few differences for payments from a Roth IRA, including:

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

Payments to Someone Other Than a Plan Participant

Generally, the same rules described in the ***"If you are not a plan participant"*** section above apply to Roth amounts paid after the death of a participant or to someone other than a participant.

A surviving spouse generally has the same rollover options that the participant would have had with respect to Roth amounts, as described elsewhere in this notice. In the alternative, the surviving spouse may do a rollover to a Roth IRA, which may be treated as his or her own Roth IRA or an inherited Roth IRA. A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions, but the inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have reached the RMD age set by the IRS.

A surviving beneficiary other than a spouse may only do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions, but the inherited Roth IRA will be subject to the required minimum distribution rules. If the participant died after December 31, 2019, all required minimum distributions must be made by the end of the 10th year after participant's death.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax- Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

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