Security Benefit®

Proof of Death Attn: Annuity Administration

The following statement is to comply with the requirements of various states. 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 fine and confinement in prison. Please read the attached instructions and type or print in black ink. Questions? Call our National Service Center at 1-800-238-9354.

1. General Contract Information

Contract Number

Tax I.D. Number / Social Security Number of Deceased

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

Last Known Mailing Address of Deceased

City State Zip Code

2. Provide Beneficiary Information

Relationship with the deceased:

❍ Spouse
❍ Non-spouse

Name of Beneficiary
(First) (MI) (Last)

❍ Male ❍ Female

Mailing Address

City State Zip Code

Social Security Number/Tax ID Number________________

Date of Birth (mm/dd/yyyy)

Cell Phone Number________________

Home Phone Number________________

3. This Section to be completed to claim proceeds from a qualified annuity contract

❑ I am a **Restricted Beneficiary, as designated by the deceased on the Restricted Beneficiary Form. (Skip to Section 5)**

3A. Beneficiary Election *for deaths occurring on or before 12/31/2019*

❑ **Lump sum** payment

❑ **Treat this as my own contract** (for spouse only or certain jointly owned contracts – all provisions of the existing Security Benefit contract will continue)

❍ *Optional*: Direct Transfer to IRA at another carrier after registering into my name – for IRA contracts only. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and Letter of Acceptance from accepting carrier.

❍ *Optional:* Direct Transfer to existing IRA at Security Benefit after registering into my name- for IRA contracts only. Provide Internal Exchange Agreement Form.

❍ *Optional:* Direct Transfer to a new IRA at Security Benefit after registering into my name- for IRA contracts only. Provide applicable Application and New Business paperwork.

(Contact the National Service Center for any additional required forms)

❑ **Establish Beneficiary Account*** to receive single life expectancy post-death distributions over 1) beneficiary's life expectancy if RMDs had not begun or 2) over the remaining life expectancy of the deceased if RMDs had begun. Distributions based on the beneficiary's life expectancy must start by 12/31 of the year after the Deceased's death; otherwise a full distribution must be made by the end of the 5th year following the year of death. If the deceased was receiving RMDs prior to death, RMDs must continue uninterrupted to the beneficiary, including a distribution for the year of death.

Distributions will be effective: ________________
(mm/dd/yyyy)

Frequency of distributions will be: ❍ Monthly ❍ Quarterly ❍ Semi-annual ❍ Annual

❍ *Optional*: After establishing Beneficiary account, transfer to a Beneficiary account at ______________. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and Letter of Acceptance from accepting carrier.

❑ **Establish Beneficiary Account* for 5-Year Rule.** Distributions must be completed by the end of the 5th year following the year of death (example – for death on 10/1/2019, 5-year rule ends on 12/31/2024).You may wait to take a lump sum distribution before the end of the 5th year or you may elect periodic distributions as follows:

Fixed Dollar Amount $________________
(indicate $ Amount - You must deplete the death benefit as described above.)

Distributions will be effective: ________________
(mm/dd/yyyy)

Frequency of distributions will be: ❍ Monthly
❍ Quarterly ❍ Semi-annual ❍ Annual

❍ *Optional*: After establishing Beneficiary account, transfer to a Beneficiary account at ______________. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and Letter of Acceptance from accepting carrier.

***Note that the registration of a beneficiary account will continue to reflect the deceased's name along with your name.**

3B. Beneficiary Election *for deaths occurring on or after 01/01/2020*

A general understanding of the following terms may be helpful in completing your election. Determine which category of beneficiary you belong in and go to the appropriate beneficiary type section to make your election(s).

ELIGIBLE DESIGNATED BENEFICIARY
- The Deceased's surviving spouse (domestic partner not included);
- The Deceased's minor child (through age of majority);
- Disabled (as defined by law);
- A chronically ill individual (as defined by law); or
- An individual who is not more than 10 years younger than the Deceased.

NON-ELIGIBLE DESIGNATED BENEFICIARY
- A non-spouse person not included in the definition of Eligible Designated Beneficiary above;
- A minor who is not a child of the Deceased;
- An adult child of the Deceased; or
- Certain qualifying trusts.

NON-DESIGNATED BENEFICIARY
- Estate;
- Charity; or
- Trust

Make an election by selecting the appropriate boxes below:

❑ **Eligible Designated Beneficiar**y

❑ **Lump sum** payment

❑ **Treat this as my own contract** (for spouse only or certain jointly owned contracts – all provisions of the existing Security Benefit contract will continue)

❍ *Optional*: Direct Transfer to IRA at another carrier after registering into my name – for IRA contracts only. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and Letter of Acceptance from accepting carrier.

❍ *Optional:* Direct Transfer to existing IRA at Security Benefit after registering into my name- for IRA contracts only. Provide Internal Exchange Agreement Form.

❍ *Optional:* Direct Transfer to a new IRA at Security Benefit after registering into my name- for IRA contracts only. Provide applicable Application and New Business paperwork.

(Contact the National Service Center for any additional required forms)

❑ **Establish Beneficiary Account*** to receive single life expectancy post-death distributions over the life expectancy of the beneficiary. Distributions based on the beneficiary's life expectancy must start by 12/31 of the year after the Deceased's death; otherwise a full distribution must be made by the end of the 10th year following the year of death. If the deceased was receiving RMDs prior to death, RMDs must continue uninterrupted to the beneficiary, including a distribution for the year of death. For spousal beneficiary only: If the decedent died before the year in which he or she reached the age to start required minimum distributions (IRS RMD Age), life expectancy distributions to the spouse don't need to begin until the year in which the owner would have reached the IRS RMD Age.

Distributions will be effective: ________________
(mm/dd/yyyy)

Frequency of distributions will be: ❍ Monthly
❍ Quarterly ❍ Semi-annual ❍ Annual

❍ *Optional*: After establishing Beneficiary account, transfer to a Beneficiary account at ________________. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and Letter of Acceptance from accepting carrier.

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❑ **Establish Beneficiary Account* for 10-Year Rule.**
Distributions must be completed by the end of the 10th year following the year of death (example – for death on 10/1/2020, 10-year rule ends on 12/31/2030). You may wait to take a lump sum distribution before the end of the 10th year or you may elect periodic distributions as follows:

Fixed Dollar Amount $________________
(indicate $ Amount - You must deplete the death benefit as described above.)

Distributions will be effective: ________________ (mm/dd/yyyy)

Frequency of distributions will be: ❍ Monthly ❍ Quarterly ❍ Semi-annual ❍ Annual

❍ *Optional*: After establishing Beneficiary account, transfer to a Beneficiary account at ____. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and Letter of Acceptance from accepting carrier.

❑ **Non-Eligible Designated Beneficiary**

❑ **Lump sum** payment

❑ **Establish Beneficiary Account* for 10-Year Rule.** Distributions must be completed by the end of the 10th year following the year of death (example – for death on 10/1/2020, 10-year rule ends on 12/31/2030). You may wait to take a lump sum distribution before the end of the 10th year or you may elect periodic distributions as follows:

Fixed Dollar Amount $________________
(indicate $ Amount - You must deplete the death benefit as described above.)

Distributions will be effective: ________________ (mm/dd/yyyy)

Frequency of distributions will be: ❍ Monthly ❍ Quarterly ❍ Semi-annual ❍ Annual

❍ *Optional*: After establishing Beneficiary account, transfer to a Beneficiary account at ________________. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and Letter of Acceptance from accepting carrier.

❑ **Non-Designated Beneficiary**

❑ **Lump sum** payment

❑ **Establish Beneficiary Account* for 5-Year Rule.** Distributions must be completed by the end of the 5th year following the year of death (example – for death on 10/1/2020, 5-year rule ends on 12/31/2025). You may wait to take a lump sum distribution before the end of the 5th year or you may elect periodic distributions as follows:

Fixed Dollar Amount $________________
(indicate $ Amount - You must deplete the death benefit as described above.)

Distributions will be effective: ________________ (mm/dd/yyyy)

Frequency of distributions will be: ❍ Monthly ❍ Quarterly ❍ Semi-annual ❍ Annual

❍ *Optional*: After establishing Beneficiary account, transfer to a Beneficiary account at ________________. Provide completed Outgoing Transfer Form, or accepting carrier's form, and Letter of Acceptance from accepting carrier.

***Note that the registration of a beneficiary account will continue to reflect the deceased's name along with your name.**

4. This Section to be completed to claim proceeds from a non-qualified annuity contract

❑ I am a **Restricted Beneficiary, as designated by the deceased on the Restricted Beneficiary Form. (Skip to Section 5)**

❑ **Lump sum** payment

❑ **Treat this as my own contract** (for spouse only or certain jointly owned contracts – all provisions of the existing Security Benefit contract will continue)

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❑ **Establish Beneficiary Account*** for single life expectancy distributions (to receive single life expectancy post-death required minimum distributions over beneficiary's life expectancy, "Systematic Withdrawals"). Distributions must start within one year of the date of death and subsequent distributions must be made by 12/31 of each year thereafter. ***This option is not available to non-natural beneficiaries such as an estate, trust, corporation or charity.***

First required minimum distribution date: ____________________
(mm/dd/yyyy) (Must be made within one year of the date of death)

Systematic Withdrawals will be effective: ____________________
(mm/dd/yyyy)

Frequency of distributions will be: ❍ Monthly ❍ Quarterly ❍ Semi-annual ❍ Annual

❍ *Optional:* After establishing Beneficiary account, transfer to a Beneficiary account at ______________. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and a Letter of Acceptance from accepting carrier.

❑ **Establish Beneficiary Account* for 5-Year Rule.** Distributions must be completed by the end of the 5th year following the year of death (example – for death on 10/1/2019, 5-year rule ends on 12/31/2024). You may wait to take a lump sum distribution before the end of the 5th year or you may elect periodic distributions as follows:

Fixed Dollar Amount $________________
(indicate $ Amount - You must deplete the death benefit as described above.)

Distributions will be effective: ____________________
(mm/dd/yyyy)

Frequency of distributions will be: ❍ Monthly ❍ Quarterly ❍ Semi-annual ❍ Annual

❍ *Optional:* After establishing Beneficiary account, transfer to a Beneficiary account at ______________. Provide completed Outgoing Transfer Form, or the accepting carrier's form, and a Letter of Acceptance from accepting carrier.

***Note that the registration of a beneficiary account will continue to reflect the deceased's name along with your name.**

5. Required Minimum Distribution

Required Minimum Distribution (RMD) – The IRS requires that the RMD for the contract be satisfied in the year of death for owners who reached the IRS RMD Age before the date of death. If the RMD is not satisfied, the IRS may assess you, as the beneficiary, a penalty on the amount that was not distributed by December 31st of the year of death.

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 the Beneficiary Contract.

❑ 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 (complete withholding election in Section 7)

❑ Please distribute the following amount as RMD for the year of death $____________________ (complete withholding election in Section 7)

❑ Distribution to be processed on (must be a future date)

____
Date of Birth (mm/dd/yyyy)

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6. Complete this section if you selected to Re-register the Contract or to Establish a Beneficiary Account

(If you are a Restricted Beneficiary, complete Section 6A only if the Letter of Instruction provided you direction to do so)

Please complete each subsection.

A. Provide Annuitant Information. The beneficiary account is a holding place for the funds until they are paid out, thus the Annuitant is not a true Annuitant as described in the Contract.

❑ **Same as Owner**

Name of New Annuitant (First) ______ (MI) ______ (Last) ______

Mailing Address ______

City ______ State ______ Zip Code ______

Relationship ______

Social Security Number/Tax ID Number ______

Date of Birth (mm/dd/yyyy) ______

Daytime Phone Number ______

Home Phone Number ______

B. Provide Beneficiary Information. This is the person(s) you designate to receive any remaining payments in the event you pass away before all payments are made.

Name of New Beneficiary (First) ______ (MI) ______ (Last) ______

Mailing Address ______

City ______ State ______ Zip Code ______

Relationship ______

Social Security Number/Tax ID Number ______

Date of Birth (mm/dd/yyyy) ______

Daytime Phone Number ______

Home Phone Number ______

C. Indicate Investment Directions

❍ Please leave the Funds in the account as they are currently invested.

❍ Please invest the Funds in the account according to the allocation below. Use whole percentages totaling 100%.

%	Investment Option
%	
%	
%	
%	
%	
%	
%	

MUST TOTAL 100%

D. Systematic Transactions **(only if you elected to treat this contract as your own; provide bank information in Section 7B)**

❍ Please continue all systematic transactions as they are currently in the existing account.

❍ Do not continue systematic transactions on my account.

E. Activate Electronic Authorization **(only if you elected to treat this account as your own)**

❍ Electronic Transactions: Transactions may be requested via telephone, Internet, or other electronic means by the Owner and/or servicing sales representative based on instructions of the Owner.

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7. Payment Information

(If you are a Restricted Beneficiary, you will receive your payments by Electronic Funds Transfer only)

A. How do you want to receive your distribution?

- ❍ **Electronic Funds Transfer (EFT)** to my bank account - proceeds will arrive within 3 business days after the withdrawal. (if selected complete B and C below)
- ❍ **Wire Transfer to my bank account** - this option is only available for one-time distribution requests and I understand a $20.00 wire processing fee will be assessed. (if selected complete B and C below) (not available to Restricted Beneficiaries)
- ❍ **Send check to the beneficiary address of record as indicated on this form in Section 2.** (if selected proceed to Section 7C) (not available to Restricted Beneficiaries)

B. Only complete this section if you selected EFT or Wire Transfer above. Please provide your bank information below. Bank account owner must be the same as beneficiary from Section 2. Direct Deposit is not permitted to a third-party account. If any information is missing your request may be delayed.

A copy of a blank voided check is required in order for funds to be distributed electronically. Attach copy of a voided check below. If a copy of a voided check is not received, the distribution will be mailed via check to your address of record.

Funds may be distributed to a checking account only.

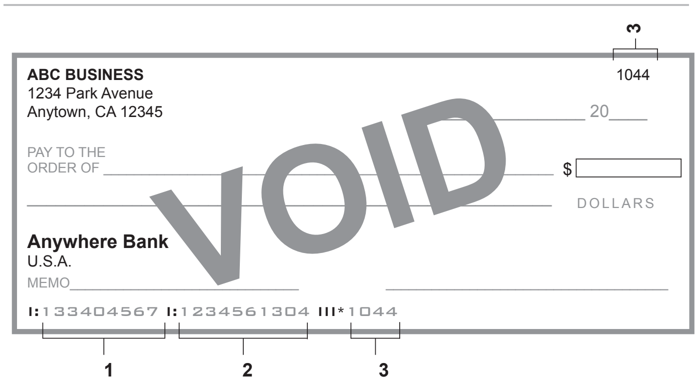
Bank Name_______________________________

Name on Bank Account_______________________

Bank Routing Number _______________________

Bank Account Number (do not include check number)

____



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

C. Withholding Elections - Withdrawals are subject to Federal and State income tax withholding:

- If the account is a Retirement Plan or TSA, 20% Federal income tax withholding is required.
- If the account is an IRA or Non-qualified, you can elect to have Federal income tax withheld. (If you do not elect Federal withholding, you are still liable for payment of Federal income tax on the taxable portion of your payment. You may also be subject to tax penalties under the estimated tax payment rules if your estimated tax payment and withholding are not adequate).

Please select how you want Federal withholding to be applied to your withdrawals and provide any additional information requested for the option selected. If an option is not selected, the required minimum will be withheld. State income taxes will be assessed where applicable.

- ❍ I do not want Federal income tax withheld (required minimums will be withheld)
- ❍ I would like the minimum Federal income tax withheld
- ❍ I would like the specified amount of Federal income tax withheld as indicated below:
  $_________or__________% (if the specified amount is less than the minimum required, the minimum amount will be withheld)

❑ 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.

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8. Tax Identification Number and Signatures

I understand, acknowledge and certify that:

– Security Benefit, or its subsidiaries, will initiate electronic deposits to my bank account as indicated on this form. Security Benefit may make additional attempts to deposit if the initial attempt fails. I will be liable for any costs associated with these additional attempts.

– I am solely responsible for all tax obligations arising from this request, and for compliance with all applicable laws, regulations and restrictions.

– I agree that any sum of money paid to the bank after my death may be refunded to Security Benefit and I hereby authorize the bank to make such refund from the account indicated.

– To the best of my knowledge, the information I have given is true and accurate and I acknowledge that 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. In signing, I make claim to the proceeds of the above-mentioned contract and agree that the written statements and affidavits of any physician who attended or treated the deceased, and all other papers required hereof constitute and they are hereby made a part of this Proof of Death Form.

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
Under penalties of perjury I certify that:

1. 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**
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) 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 (c) the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. citizen or other U.S. person (as defined in the IRS Form W-9 instructions).

Certification instructions. You must cross out (2) 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.

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

X ______________________________ ______________
Signature of Beneficiary Date (mm/dd/yyyy)

____
(You must include your designation if signing as a trustee, executor, custodian, guardian, or attorney-in-fact.)

____
Beneficiary's Printed Name

X ______________________________ ______________
Signature of Financial Professional (optional) Date (mm/dd/yyyy)

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Security Benefit®

Security Benefit Proof of Death

INSTRUCTIONS

It is not necessary to employ outside assistance for the collection of insurance benefits from Security Benefit Life Insurance Company.

A separate Proof of Death form should be completed and signed by each beneficiary.

Although the Company reserves the right to require or obtain further information, in ordinary cases the proofs of death required are as follows:

I. PROOF OF DEATH FORM – The form must be completed by each principal beneficiary. Contingent beneficiaries should not sign a Proof of Death form unless all of the principal beneficiaries have predeceased the insured.

(a) Proceeds cannot be paid directly to a minor or an adult who is under a legal guardianship or conservatorship. This form must be completed and signed by the court-appointed custodian, guardian or conservator of the beneficiary's estate, as required by applicable state law. A certified copy of the court document confirming the appointment must be provided with this form, if applicable.

(b) When the proceeds are payable to an estate and an executor or administrator has been appointed, this Proof of Death form must be completed by the executor or administrator of the estate. A certified copy of the executor's or administrator's appointment is required to be provided with this form.

(c) When a policy has been assigned as collateral security by a policyowner prior to the death of the insured, this Proof of Death form must be completed by the assignee. The original assignment or a certified copy thereof is required to be provided with this form.

(d) When any or all of the principal beneficiaries predecease the insured, a certified copy of the Death Certificate of each deceased principal beneficiary is required.

II. CHANGE IN NAME – If the name of the insured or any beneficiaries is now different from that appearing in the policy explain briefly in a separate statement the reason for the change in name.

III. DEATH CERTIFICATE – Send only one (1) original certified copy of the official **Death Certificate** (a photocopy is not sufficient), even if multiple beneficiaries exist and multiple Proof of Death forms are to be completed. If the deceased died in a foreign country, a Consular Report of Death of a U.S. Citizen Abroad must also be submitted. This document should be obtained from the U.S. Consulate in the country in which the deceased died.

IV. MULTIPLE BENEFICIARIES – All documentation from all beneficiaries must be received before processing will occur.

Mail the completed Proof of Death form and a certified copy of the Death Certificate together with the policy under which claim is made, to the Administrative Office of the Company in Topeka, Kansas.

Please separate here

Please keep the following pages for your records.

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.

- <u>If you do a direct rollover</u>, 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.
- <u>If you do not do a direct rollover</u>, 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

AAfter-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

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. IIf 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

IIf 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.

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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