Lincoln Financial Group®

For use with:
***Multi-Fund*® Group Variable Annuity**
Lincoln Group Variable Annuity
(Non-New York only)

Distribution request form

To be used for: general distributions, rollovers, plan-to-plan transfers, transfers, contract exchanges, return of contributions or purchase of permissive service credits.

1. Important information

- **Incomplete information will cause processing delays. Please submit all pages of this form.**
- If you need assistance completing this form, please reference the How to Complete this Form section on page 9.

2. Market

Choose one: ☐ 403(b) ☐ 401(a) ☐ 401(k) ☐ 457(b) governmental ☐ Roth 403(b)
☐ 403(b) ORP ☐ 401(a) ORP ☐ Roth 401(k) ☐ Roth 457(b) governmental

3. General information

Your group annuity contract number and the plan ID can be found on your participant statement.
I am the: ☐ Participant ☐ Beneficiary*

Contract/account number ______________________ Plan ID# ______________________

Plan sponsor/employer name ______________________

Participant/beneficiary name (first, MI, last, suffix) ______________________

Mailing address ______________________

(If mailing address is a P.O. Box, street address is required.)

City, State, Zip ______________________

Email ______________________

Social Security number ______________________ Date of birth ______________________

Daytime phone number ______________________ Evening phone number ______________________

☐ Change my address on record as indicated OR ☐ This is a temporary address to be used for this check only

*If the participant is deceased, please complete this entire section with the personal information of the beneficiary.

4. Distribution eligibility **- Select all that apply in Section A <u>or</u> Section B.**

Under Internal Revenue Code, an employee is eligible to make a partial withdrawal, a full withdrawal (surrender), or a rollover of salary reduction contributions only if one of the following reasons applies.

Section A - 403(b), 403(b) ORP, 401(a), 401(a) ORP, 401(k), Roth 401(k) and Roth 403(b) plans	Section B - 457(b) governmental deferred compensation and Roth 457(b) governmental deferred compensation plans
☐ **Age 59½ or older** ☐ **In-service withdrawal - prior to 59½** (refer to plan administrator to determine eligibility) ☐ **In-service withdrawal - age 59½ or older** (refer to plan administrator to determine eligibility) ☐ **Severance from employment -** Termination date ______________ ☐ **Hardship** (Complete Section 5 and refer to Section 9, Option C.) ☐ **Required minimum distribution (RMD)** for the calendar year of ___________ (Requestor must be age 70½ or older and must complete Section 5.) ☐ **Plan termination** (refer to plan administrator to determine eligibility) ☐ **Death** ☐ **Total/permanent disability** (Either a physician's statement that specifies both total and permanent disability or a Social Security certificate is required.) ☐ **Qualified Domestic Relations Order (QDRO)** (A copy of the court order verifying the divorce or legal separation is required.) ☐ **Withdrawal of pre-1989 grandfathered value from a 403(b) plan** ☐ **Qualified reservist distribution** - Active duty date _________________ (Please provide date participant went on active duty. This type of distribution is not subject to the 10% tax penalty provided the participant is currently on active duty and has served more than 180 days.) ☐ **Public safety employee direct payment for insurance**	☐ **Age 70½ or older** ☐ **In-service withdrawal of $5,000 or less** (refer to plan administrator to determine eligibility) ☐ **Severance from employment -** Termination date ____________ ☐ **Required minimum distribution (RMD)** for the calendar year of ___________ (Requestor must be age 70½ or older and must complete Section 5.) ☐ **Death** ☐ **Total/permanent disability** (Either a physician's statement that specifies both total and permanent disability or a Social Security certificate is required.) ☐ **Qualified Domestic Relations Order (QDRO)** (A copy of the court order verifying the divorce or legal separation is required.) ☐ **Qualified reservist distribution** - Active duty date ___________ ☐ **Public safety employee direct payment for insurance** ☐ **Unforeseeable emergency** (See Section 6.) ☐ **Retirement**

5. Withdrawal options - This section must be completed. Wherever a dollar amount is requested, it must be provided or we'll be unable to process your request.

☐ **Partial withdrawal:** $______________ OR ________% of the vested account balance (Write dollar amount or whole percent)

If taxes are being withheld, do you want the check to equal the amount requested? ☐ **Yes** ☐ **No**

If no amount is indicated and your account balance is $500.00 or less, a total withdrawal will be processed.

Please see Section 9 for more information regarding income tax withholding.

Please indicate the subaccounts from which you'd like the withdrawal to be processed. **If not indicated, the withdrawal will be made pro rata from each vested subaccount balance.**

Subaccount name	**Choose one** (dollar amount or whole percent) Please be sure all percentages total 100%.
______________________________	$ ______________ OR __________%
______________________________	$ ______________ OR __________%
______________________________	$ ______________ OR __________%

If you have a Lincoln Group Variable Annuity VA III or a Group Multi-Fund® III, there is a 20% limit on transfers and withdrawals from the fixed account, unless processed in accordance with the contract liquidation schedule. Refer to your Active Life Certificate for the liquidation schedule. If your current account value is $5,000 or less, your distribution request will be processed as a surrender (total withdrawal).

☐ **Surrender** (total withdrawal)

☐ **Total withdrawal over liquidation schedule** (surrender)

Liquidation year __________ (Year 1 will be assumed unless otherwise noted.)

Note: A withdrawal form must be completed each year to process subsequent withdrawals. It is your responsibility to monitor and initiate the yearly withdrawal.

☐ **Hardship withdrawal** (Complete Hardship Distribution Checklist, RPS26033-MF)

Payable to me in the amount of $ ______________

Note: If insufficient amounts are available to cover your request, The Lincoln National Life Insurance Company (Lincoln) will attempt, in the following order, to (1) provide the withdrawal amount requested, (2) cover any voluntary tax withholding you elect in Section 9, Option B, and (3) include any increase withdrawal amount to cover the tax penalty you elect in Section 9, Option C.

☐ **Check here if you are requesting that Lincoln withdraw your required minimum distribution (RMD) before your request for a contract exchange, a rollover, or a plan-to-plan transfer is completed, as noted in Section 8**. (Please complete the following RMD election.)

- All contract exchange/rollover or permissive service credit transfers will be issued by check. Direct deposit and wire transfer are not options.

☐ **Check here if you are currently enrolled in the required minimum fistribution (RMD) program and want Lincoln to issue your RMD check before your contract exchange, rollover, or plan-to-plan transfer is completed.**

☐ **Required minimum distribution** (RMD) (Applicable only if age 70½ or older) $ ____________________

- This is a one-time distribution.
- This is a distribution based on Lincoln's analysis of the IRS rules regarding required minimum distribution (RMD).
- If no dollar amount is provided, Lincoln will calculate your RMD.
- If your spouse is more than 10 years younger than you, your spouse's name and date of birth are required.

Spouse's name (first, MI, last, suffix) ____________________

Address ____________________

City, State, Zip ____________________

Email address ____________________ Phone number ____________________

Social Security number ____________________ Date of birth ____________________

6. 457(b) Unforeseeable emergency distribution

Under a 457(b) plan, a hardship distribution can occur only when the participant is faced with an unforeseeable emergency. An unforeseeable emergency is a severe financial hardship resulting from illness or accident, loss of property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant or beneficiary.

If you answer "no" to any of these questions, you may not be eligible for an unforeseeable emergency distribution. All available sources of money must be used before an unforeseeable emergency distribution may be taken. If you answer "yes" to any of these questions, please provide your employer with supporting documentation.

☐ Yes ☐ No

Is the expense one of the following, which the IRS indicates may qualify for an unforeseeable emergency?

- Illness or accident of the participant or beneficiary, the participant's or beneficiary's spouse or the participant's or beneficiary's dependent
- Loss of the participant's or beneficiary's property due to casualty
- The imminent foreclosure of or eviction from the participant's or beneficiary's primary residence
- The need to pay for medical expenses, including non-refundable deductibles and the cost of prescription medications
- The need to pay for the funeral expenses of a spouse or dependent

☐ Yes ☐ No

If the withdrawal request is for a dependent's funeral or expenses related to a dependent's illness or accident, is the dependent either a qualifying child or a qualifying relative, as defined here?

"Qualifying child" is defined as a person who meets all of the following criteria:

- is your child, stepchild, foster child, brother, sister, stepbrother, stepsister, or descendant of either
- resides with you for more than half the year
- is under age 19 at the end of the year (or under the age of 24 if a full-time student for at least five months of the year) or is any age and permanently and totally disabled
- did not provide more than half of his or her own support for the year

"Qualifying relative" is defined as a person who meets all of the following criteria:

- lives with or is related to you
- is supported (generally more than 50%) by you
- is neither your qualifying child nor the qualifying child of someone else
- has gross income in the relevant calendar year of $3,950 or less (as updated in 2014)

Dollar amount of unforeseeable emergency distribution $________________.

I request an additional dollar amount to cover:

☐ Voluntary tax withholding elected in Section 9.

Note: If insufficient amounts are available to cover your request, Lincoln will attempt, in the following order, to (1) provide the withdrawal amount requested, and (2) cover the voluntary tax withholding.

7. Loan information

Do you have a loan on this account? ☐ Yes ☐ No

If you have an active loan balance, you may choose to:

☐ **Leave loan(s) with Lincoln** OR

☐ **Close the active loan and withdraw the balance from the account**
(An eligible distribution reason must be indicated in Section 4.)

If no selection is made, the loan will remain active.

- If you withdraw the balance of an active loan, mandatory 20% federal income tax withholding applies. If applicable, any mandatory state tax will also be withheld. You may elect a higher percentage of federal and state income tax withholding. If no selection is made here, your tax withholding will default to the federal and state tax elections made in Section 9:

  Federal income tax withholding _________% State income tax withholding _________%

  ☐ Do not withhold state taxes unless required by law

- If you have a defaulted loan, the loan balance will be deducted automatically from your account balance once you've satisfied an eligible reason for distribution.
- Please note some plans restrict the availability of funds beyond a distribution event.
- If one or more of your active loan balances will be withdrawn from your account balance, the amount will be reported to the IRS as a taxable event on Form 1099-R for the year of the distribution.

8. Rollover/plan-to-plan transfer/transfer/permissive service credit/contract exchange

Complete this section to request a rollover, a plan-to-plan transfer, a transfer, a permissive service credit, or a contract exchange.

- Amounts must be specified in Section 5.
- All rollover, plan-to-plan transfer, transfer, contract exchange, or permissive service credit requests will be issued by check. Direct deposit and wire transfer are not options.

If your new account is sponsored by a different employer, please provide the name of the new employer/contract holder____

You must choose one of the following options:

☐ **Rollover:** Generally a rollover is used when moving assets to a different employer's program and/or changing market/plan types. A required minimum distribution (RMD) is not eligible for rollover since it's not a distributable event.

To plan type:

☐ 403(b) ☐ 403(b) ORP ☐ 401(a) ☐ 401(a) ORP ☐ 401(k)

☐ 457(b) governmental ☐ IRA ☐ Roth 403(b) ☐ Roth 401(k) ☐ Roth 457(b) government

☐ Inherited IRA (non-spousal beneficiary only) ☐ Public safety employee's direct payment for insurance

☐ Roth IRA*

*If requesting a rollover of pretax accounts to a Roth IRA, Section 9 must be completed.

☐ **Contract exchange:** The transfer of one 403(b) contract to another 403(b) contract under the **same** plan. A distributable event is not required.

To plan type:

☐ 403(b) ☐ 403(b) ORP ☐ Roth 403(b)

☐ **Plan-to-plan transfer:** A transfer that moves assets from one 403(b) plan to **another 403(b) plan**. A distributable event is not required.

To plan type:

☐ 403(b) ☐ 403(b) ORP ☐ Roth 403(b)

☐ **Transfer:** A transfer is used to change investment carriers with the same plan type, but assets remain in the same employer's plan. A distributable event is not required.

To plan type:

☐ 401(a) ☐ 401(k) ☐ 457(b) governmental

☐ **Permissive service credit:** Credit for a period of service recognized by a defined benefit governmental plan. A transfer may be made **before** the participant has severed employment.

To plan type:

☐ 401(a) transfer ☐ 401(a) rollover

Vendor information:

Other vendor's name ____________________ **Contract #** __________

Other vendor's address ______________________________

Other vendor's city, state, zip __________________________

If the complete address is not provided above or if the mailing address is not legible, the check will be made payable to the new/other vendor and will be mailed to you. You will then be responsible for mailing the check to the new/other vendor.

Contract exchange disclosure

Any contract exchange requested on or after January 1, 2009, requires evidence that the recipient investment/contract provider is approved by the plan sponsor to permit such an exchange.

9. Important tax information

Applicable federal and state tax withholding rules will be applied to any taxable amount not directly rolled over to an IRA or qualified plan, as required by law. In general, the amounts you elect to roll over directly and the amounts that are not subject to federal income tax (e.g., any amounts you contributed to the plan on an after-tax or Roth basis, or qualified distributions from a designated Roth account) are not subject to federal income tax withholding. See the Special Tax Notice accompanying this form for more information.

A. Mandatory federal tax withholding (unless an exception applies; see Section B)

Mandatory federal income tax withholding of 20% applies to any distribution taken in cash that would otherwise be eligible for rollover. See the Special Tax Notice accompanying this form for more information. This also pertains to death distributions for spouse and non-spouse.

☐ **Mandatory 20% withholding, or increase to ____________%.** (**Please note:** This withholding may not be lower than 20%.)
If no selection is made, mandatory 20% will be withheld.

B. Exceptions to federal income tax withholding

Federal tax withholding of 10% applies to distributions that are not eligible for rollover unless you elect to have no withholding apply:

- **Financial hardship distribution** - For additional information, refer to Section C.
- **Required minimum distribution** (RMD) - Please note: Any withdrawal amount, that exceeds the required minimum distribution dollar amount is subject to 20% mandatory federal tax withholding.

Federal tax of 10% will be withheld unless you choose otherwise. If you elect not to have taxes withheld, you will be liable for payment of federal and state income tax, if applicable, at the time you prepare your personal tax filing. You may also be subject to tax penalties under the estimated tax payment rules if your payment of estimated tax and withholding, if any, are not adequate. You may wish to discuss your withholding election with a qualified tax advisor.

☐ **I elect NOT to withhold the 10% federal tax** – If you check this box, Lincoln will withhold 0% for federal taxes on distributions due to financial hardship distribution or required minimum distribution.

☐ **I elect to withhold more than the 10% federal tax** – (You may elect to withhold any percentage up to your current tax rate.) ___________%
If no selection is made, Lincoln will withhold 10% for federal taxes.

C. Hardship withdrawals only

If you are under age 59½, the IRS permits you to take additional amounts to cover the IRS 10% penalty tax. This is separate from the voluntary withholding previously described. If you mark this box, we will increase the requested distribution amount by 10% (provided you have sufficient funds to do so) and will withhold and remit the additional amount to the IRS on your behalf as a tax withholding.

☐ **Please withhold additional amount to cover 10% penalty tax**

D. State tax withholding

Lincoln may be required to withhold state tax from your distribution based upon state tax law for your state of residency. In order to assist us with this, please provide your state of residence in the space below.

State of residence __________ (Enter state of residence at time of withdrawal)

Depending on your state of residence, you may elect not to have withholding apply or, if withholding is required, you may elect to increase the minimum rate of withholding. In other cases, state tax withholding is not available.

The following choices apply only if your state requires or allows income tax withholding.

- If your state mandates a higher amount of income tax withholding than you elect (including if you elect no income tax withholding), we will withhold the higher amount.
- If your state does not require income tax withholding, we will not withhold any state income tax unless you specify an amount.
- If state tax withholding is not available in your state, we will not withhold state income tax even if you elect withholding.

We recommend that you contact your tax advisor before making any tax withholding elections. Your tax advisor can answer any questions you may have regarding your state's withholding laws. If required by your state of tax residence, please submit the applicable state-issued withholding election form.

☐ Do not withhold state taxes unless required by law

☐ Withhold state taxes at the rate of $___________ or ___________%

Note: The dollar amount or percentage withheld must meet the minimum withholding guidelines for your state.

If you are a resident of **North Carolina**, you must complete and return a Form NC-4P in order to withhold more than the minimum, or to opt out of withholding for purposes of North Carolina income tax.

If you are a resident of **Michigan**, you must complete and return a Form MI W-4P in order to complete your withholding election, or to opt out of withholding for purposes of Michigan income tax.

10. Distribution method - You must complete this section.

Choose one:

☐ Direct deposit

☐ Check

Direct deposit: You, the plan participant, authorize The Lincoln National Life Insurance Company (Lincoln) to deposit your distribution into the account identified by means of electronic funds transfer (EFT). You also authorize Lincoln to initiate corrections, if necessary, to any distribution made to this account under this authorization. You understand this authorization requires your financial institution to be a member of the National Automated Clearing House Association (NACHA).

- **It may take three to five days for the deposit to reach your bank account. Please contact your financial institution for the actual date funds will be posted to your account. Service charges from your financial institution may apply.**
- **Lincoln will not be held responsible for the date funds are actually credited to your account by your financial institution.**
- **A check will be issued if all of the direct deposit requirements are not complete.**

Type of account:

☐ Checking (A voided check must be attached; no deposit slips will be accepted.) ☐ Savings

Financial institution's name ______________________________

Financial institution's telephone number ______________________________

ABA number ______________________________ Account number ______________________________
(nine-digit bank routing number)

Attach copy of voided check

11. Participant/beneficiary signature

- Your employer's authorization may be required. Please check with them before submitting your request.
- If you are still contributing to the plan, please notify your employer to stop your payroll deduction prior to your full withdrawal.
- It is the individual taxpayer's responsibility to meet the Internal Revenue Code requirements to qualify for this distribution.
- All signatures must be dated (mm/dd/yy) within 180 days of the date this form is received by Lincoln to be valid.
- If your plan requires spousal consent, your spouse must sign the waiver of rights in Section 12 and must agree to this distribution.
- You must elect to waive the thirty-day (30-day) notice period for electing a rollover required by the IRS before a distribution can be processed.

Beginning September 25, 2007, final 403(b) regulations began imposing new rules for contract exchanges.

A contract exchange processed on or after that date may require that the employer enter into an Information Sharing Agreement by January 1, 2009, or agree to coordinate the information necessary to satisfy Section 403(b) before any future distribution or loan is made from the recipient investment/contract provider.

If your employer is not currently sending contributions to Lincoln, or if an Information Sharing Agreement is not currently in place, Lincoln agrees to make a reasonable, good faith effort to contact the employer as required under Revenue Procedure 2007-71 before processing future distributions or loans.

Lincoln Financial Group® affiliates, their distributors and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Clients should consult their own independent advisor as to any tax, accounting or legal statements made herein.

By signing here, you certify that you have read and understand this form. You also represent that all of the information provided is accurate and complete. Additionally, if a hardship distribution is being requested, you have read, understand and agree to the terms and conditions outlined in Section 9, Option C, Hardship Withdrawals Only, or Section 6, 457(b) Unforeseeable Emergency Distribution. Any false information provided may subject you to tax and legal penalties, including those related to fraud.

Residents of all states except Alabama, Arkansas, Colorado, District of Columbia, Florida, Kentucky, Louisiana, Maine, Maryland, New Jersey, New Mexico, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Virginia and Washington, please note: Any person who knowingly, and with intent to defraud any insurance company or other person, files or submits an application or statement of claim containing any materially false or deceptive information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and may subject such person to criminal and civil penalties.

For Arkansas, Colorado, Kentucky, Louisiana, Maine, New Mexico, Ohio, Rhode Island, Tennessee residents only: Any person who, knowingly and with intent to injure, defraud or deceive any insurance company or other person, files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and may subject such person to criminal and civil penalties, fines, imprisonment, or a denial of insurance benefits.

For Alabama residents only: 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.

For District of Columbia residents only: WARNING: it is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

For Florida and New Jersey residents only: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

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

For New York residents only: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and shall also be subject to civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

For Oklahoma and Pennsylvania residents only: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

For Washington residents only: Any person who knowingly presents a false or fraudulent claim for payment of a loss or knowingly makes a false statement in an application for insurance may be guilty of a criminal offense under state law.

____
Participant/beneficiary name (please print)

____ ______________________
Participant/beneficiary signature Date

12. Plans subject to spousal consent waiver requirements

Spouse consent

By signing below, you, the spouse, consent to the election by your spouse to waive the qualified joint and survivor annuity form of payment and/or the election of an immediate distribution of the benefit. You further acknowledge that the qualified joint and survivor annuity has been explained to you and you understand the effect of such election and that signing here will cause you to give up important rights to which you may otherwise be entitled.

Spouse's signature (if required) ______________________ Date ______________

Witness signature (Plan sponsor or notary public) ______________________ Date ______________

Notary's commission expires ________/________/__________ (mm/dd/yyy)

13. Mandatory distribution option (Employer use only)

☐ Check this box if you, as the employer and plan administrator, are forcing a distribution for this participant because his or her balance is $5,000 or less. Please read the following and sign below:

- The **vested** benefit of this individual is between $0 and $5,000.
- The participant has not responded to the notification of forced distribution from the plan, distribution form and 402(f) rollover tax notice mailed to him or her and has had at least 30 but fewer than 180 days to consider his or her options with respect to this distribution.
- I authorize the distribution to the *Lincoln SelectSolution®* IRA on behalf of the participant indicated.
- The participant will be able to transfer this IRA to another investment provider without cost or penalty.
- I have entered into a written agreement with Lincoln Financial Group Trust Company, Inc. as the custodian of the *Lincoln SelectSolution®* IRA with respect to mandatory / force-out distributions.
- As the plan fiduciary, I authorize Lincoln Retirement Services Company (LRSC) and Lincoln Financial Group Trust Company, Inc. (LFGTC) to establish an automatic IRA on behalf of this participant and to roll over his or her vested balance in the plan to a fixed account option in the *Lincoln SelectSolution®* IRA as soon as administratively possible. LFGTC will serve as the custodian for the automatic IRA, which will be funded solely by a group fixed annuity contract issued to LFGTC by The Lincoln National Life Insurance Company.
- I understand that this request may be held for up to 90 days and batch-processed with other similar automatic IRA rollover requests. I understand that if this request is held, the account balance will remain invested until the actual withdrawal and rollover occur.

Authorized plan administrator/trustee's name (please print) ______________________

Authorized plan administrator/trustee's signature ______________________ Date ______________

14. Plan administrator/trustee/third party administrator signatures

Participant's date of hire:_______________ Participant's date of severance/retirement:_______________

Years of service:____________________

Is the participant 100% vested? ☐ Yes ☐ No

If "no" indicate the percentage of the employer funds available for distribution __________%.

If "no" non-vested moneys will be deposited into the plan's forfeiture account.

ERISA plans

By signing here, you certify that the employee's request for a distribution is authorized by the plan administrator and is in compliance with all provisions of your plan; including hardship, in which case the distribution is necessary to satisfy the employee's immediate financial need. Refer to the IRS safe harbor elements in Treasury Regulation 1.401(k)-(d)(2) and the plan document if you have questions about allowable hardship distributions. If authorizing a transfer, non-vested monies will be transferred unless otherwise directed.

Non-ERISA plans or ERISA plans with contracts excluded under Field Assistance Bulletins 2009-02 and 2010-01

By signing this form, you, the plan administrator are not approving this request; rather, you are acknowledging that the employee information supplied is accurate to the best of your knowledge and is in compliance with all provisions of your plan document.

____
Authorized plan administrator/trustee/third party administrator's name (please print)

____ ______________________
Authorized plan administrator/trustee/third party administrator's signature Date

How to complete this form

- If requesting a **general distribution** (to yourself), complete all sections except Section 8. (In Section 13, complete the employer option only.)
- If requesting a **rollover**, complete all sections except Sections 6, 9 and 10. (In Section 13, complete the employer option only.)
- If requesting a **contract exchange**, complete all sections except Sections 4, 6, 9, 10 and 13.
- If requesting a **plan-to-plan transfer**, complete all sections except Sections 4, 6, 9, 10 and 13.
- If requesting a **transfer**, complete all sections except Sections 4, 6, 9, 10 and 13.
- If requesting **purchase of permissive service credit**, attach supporting documentation and complete all sections except Sections 4, 6, 9, 10 and 13.
- If your contract is subject to ERISA, please have your plan sponsor (employer) complete Section 14.
- If your contract is not subject to ERISA, or if ERISA contracts are excluded under Field Assistance Bulletins 2009-02 and 2010-01, please have your plan sponsor (employer) complete Section 14. For questions regarding ERISA contracts excluded under FAB 2009-02 and FAB 2010-01, please contact your employer.
- If your plan requires spousal consent, your spouse must sign Section 12.
- If this request is for a death claim, additional information is required. Please contact your representative or the Customer Contact Center at 800-341-0441, Monday through Friday, from 8:00 a.m. to 8:00 p.m. Eastern.
- When requesting overnight delivery service and providing a billing account for carrier, you must specify a valid billing name and billing address of this account. If information provided is not a valid match, your distribution will be sent via standard mail service.

Mail to: The Lincoln National Life Insurance Company
Servicing Office - P.O. Box 2340
Fort Wayne, IN 46801-2340
Phone: 800-341-0441
Fax: 260-455-9411
LincolnFinancial.com

Express Mail: The Lincoln National Life Insurance Company
1300 South Clinton Street
Fort Wayne, IN 46802-3506

If faxing, do not mail originals.

Lincoln Financial Group®

Special Tax Notice Regarding Plan Payment from Non-Roth and Designated Roth Accounts

Your rollover options

You are receiving this notice because all or a portion of a payment you are receiving from an employer-sponsored retirement plan ("Plan") may be eligible to be rolled over to an IRA or employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments that are from a "designated Roth account" (an account for taxable, Roth elective deferral contributions) and payments from a "non-Roth account" (an account for pre-tax elective deferral contributions). If you are only receiving a payment from one of these types of accounts, you need only read the sections of this notice that apply to that type of account. If you are receiving payments from both types of accounts, you should read the entire notice. In addition, the Plan administrator or payor will tell you the amount that is being paid from each account if you are receiving payments from both types of accounts.

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

General information about rollovers

How can a rollover affect my taxes?

Non-Roth Account

In general. You will be taxed on a payment from a non-Roth account under 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 (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 59 ½ (or if an exception applies).

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.

Designated Roth account

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. 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.

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 the early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, 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.

A qualified distribution from a designated Roth account in the Plan is a payment made 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 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.

Where may I roll over the payment?

Non-Roth account

In general. 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.

Designated Roth account

You may roll over the payment from a designated Roth account 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, section 403(b) plan or governmental 457(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 spouse 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

How do I do a rollover?

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

Non-Roth account

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. 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 other than employer stock). 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).

Designated Roth account

If you do a direct rollover, the Plan will make the payment directly to your Roth IRA or designated Roth account in an employer plan. You should contact the Roth 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 within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, each of the payments will include allocable portion of the earnings in your designated Roth account.

If you do not do a direct rollover and the payment is not a qualified 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.

How much may I roll over?

The following rules are the same for both non-Roth and designated Roth accounts.

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 after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- 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)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA)

The Plan administrator or the payor 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?

Non-Roth account

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.

Designated Roth account

If the payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

Both Non-Roth accounts and designated Roth accounts

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 from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death

- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- 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
- 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

If I do a rollover to an IRA (or Roth IRA for payments from a designated Roth account) will the 10% additional income tax apply to early distributions from the IRA?

Non-Roth account

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA including:

- There is no exception for payments after separation from service that are made after age 55.
- 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).

Designated Roth account

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 listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- There is no special exception for payments after separation from service.
- 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 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).

Are there consequences of failing to defer distributions until retirement?

Saving adequately for retirement is one of the most important decisions you will make during your employment years. For participants that have recently severed employment, (1) electing to leave your account in your former employer's retirement Plan, (2) rolling the account to a Roth IRA, IRA or new employer's plan, or (3) taking the distribution in cash is a decision that should be weighed very carefully in order to meet your long-term savings goals.

Factors you should consider include:

- Generally, if your vested account balance is more than $5,000, you may leave your retirement account with your previous employer's Plan until the later of age 62 or the date you reach the plan's normal retirement age.
- As an investor, with an ultimate goal of saving the maximum for retirement while also managing investment risk, you should review the investment fees and administrative costs associated with your current Plan, any future employer's Plan and various IRAs that are available in the marketplace. Such investment fees and administrative costs may be lower in your employer's plan than you will be able to find elsewhere.
- Electing to take a distribution in cash now may cause you to have insufficient funds to retire. In addition, distributions of non-Roth and earnings from designated Roth accounts are subject to federal income tax and, based on your specific circumstance, and additional 10% tax may apply. You should carefully consider how you will make up these contributions and accumulate adequate earnings in order to retire when you would like.

Additional information regarding payout options:

This notice summarizes the federal tax rules that may apply to your payment. You are encouraged to obtain further information from your Plan administrator describing payout alternatives and expenses specific to your Plan. A Summary Plan Description (SPD), for 401(a), including 401(k), and ERISA 403(b) plans, can also be a valuable resource as you weigh your distribution/rollover options. Investment prospectus(es) or investment profiles are also a valuable source for fee/expense comparisons. To view information regarding fees and expenses, please visit LincolnFinancial.com.

Special rules and options

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. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see: IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

If your payment includes employer stock that you do not roll over

Non-Roth account

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover from a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

Designated Roth account

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the Plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA from a nonqualified distribution that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the Plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the Plan.

If you have an outstanding loan that is being offset

Non-Roth account

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. The loan offset amount will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

Designated Roth account

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 and, if the distribution is a nonqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or a designated Roth account in an employer plan.

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. If the lump sum distribution is a nonqualified distribution from a designated Roth account that you do not roll over, these special rules for calculating the amount of the tax would apply to the earnings in the payment. For more information, see IRS Publication 575, Pension and Annuity Income.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term 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 (including nonqualified distributions from a designated Roth account) that are 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 are not a plan participant

Non-Roth account

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 (the sections applicable to payments from non-Roth accounts). 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 you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. 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 been age 70½.

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.

Payments under a qualified domestic relations order. If you are the spouse or a 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 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). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

Designated Roth account

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 (the sections applicable to payments from designated Roth accounts). However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, 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 receive a nonqualified distribution and 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 a Roth IRA, you may treat the Roth IRA as your own or as 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. An 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 been age 70½.

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 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. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under a qualified domestic relations order. If you are the spouse or a former spouse of the participant who receives a designated Roth account payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment as described in the sections of this notice applicable to designated Roth accounts). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

The following rules are the same for both non-Roth and designated Roth accounts.

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.

If you have a non-Roth account and 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. 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 your Plan does not provide for designated Roth Accounts, the above rules will not apply. See the "Designated Roth Account" section under "Where may I roll over the payment" above for the rules applicable to rollovers from a designated Roth account to a Roth IRA.

If your payment is subject to the mandatory cashout rules

Non-Roth account

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) may 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).

Not every plan provides for mandatory cashouts. If your Plan does not provide for mandatory cashouts, the above rules will not apply. Some plans may require mandatory rollover of less than $1,000 be directly rolled over to an IRA. For more information about the Plan's cashout rules, check with the Plan administrator and/or refer to the Plan's summary plan description (SPD).

Designated Roth account

Unless you elect otherwise, a mandatory cashout from a designated Roth account in the Plan of more than $1,000 may be directly rolled over to a Roth 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).

Not every plan provides for mandatory cashouts. If your Plan does not provide for mandatory cashouts, the above rules will not apply. Some plans may require mandatory rollover of less than $1,000 be directly rolled over to a Roth IRA. For more information about the Plan's cashout rules, check with the Plan administrator and/or refer to the Plan's summary plan description (SPD).

Other special rules (applicable to both non-Roth and designated Roth accounts)

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

If your payments are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

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.

If you have a non-Roth account or a designated Roth account and your payment is from a governmental section 457(b) plan. If the Plan is a governmental section 457(b) plan, the same rules that are 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 your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

For more information

You may wish to consult with the Plan administrator or payor, 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 plan in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs); IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at irs.gov, or by calling 1-800-TAX-FORM.