

Savings Banks Employees Retirement Association

401(k) PLAN RETIREMENT ELECTION FORM (for retirees hired prior to January 1, 2000 only)

Participant Name: (Please Print) _____ SSN or Cert. No. _____

Current Address (required) _____

Name of Former Employer: _____ Plan No. _____

I hereby request that all funds accumulated to my credit in the Savings Banks Employees Retirement Association (SBERA) 401(k) Plan of the above-named Employer be paid to me as indicated below. I acknowledge that the automatic form of payment if I am married is a qualified JOINT AND SURVIVOR annuity payable to me and my spouse and that if I wish to receive benefits under any other option my spouse must consent to such election in the area provided below.

OPTION 1: SINGLE SUM PAYMENT: CONTINUE BELOW
OPTION 2: COMMERCIAL ANNUITY OPTION: GO TO PAGE 3

Option 1. SINGLE SUM PAYMENT.

I hereby elect to receive a Single Sum Payment of all Employee and Employer Contributions to my credit with the above named SBERA employer. I understand that upon receipt of a Single Sum Payment, my entire interest in the SBERA 401(k) Plan of the above named Employer will terminate. I acknowledge that, unless I have directed SBERA (below) to execute a direct rollover to an Individual Retirement Account (IRA) or another Qualified Plan, SBERA must withhold Federal income taxes equal to 20% of the taxable amount paid to me. Massachusetts income taxes will also be withheld on the taxable amount of my distribution unless I am not a Massachusetts resident and elect not to have state withholding (see below).

Check One:

- Direct Distribution to Participant** – The check will be sent to your current address as listed above.
- Direct Transfer to a Qualified Plan or IRA** – I direct that all or part of the taxable portion of my distribution be directly transferred to the Qualified Plan or IRA listed below. I understand that any amount not directly transferred will be subject to 20% Federal income tax withholding. I certify to SBERA that the transferee is a Qualified Plan or IRA and that the transferee has agreed to accept the rollover. I understand that any after-tax contributions made by me cannot be rolled over and will be paid directly to me.

Check One:

- I wish to make a partial rollover of \$_____ (fill in a dollar amount) directly transferred to the Qualified Plan or IRA listed below. The remaining amount will be subject to Federal and State income taxes and be paid to me after these taxes are withheld.
- I wish to directly transfer 100% of my taxable funds to the Qualified Plan or IRA listed below. (SBERA will make one transfer only.)

I understand if a dollar amount is not filled in 100% of my account will be automatically be transferred to the Plan or IRA listed below if I have chosen to rollover my balance.

Transfer to a Qualified Plan: _____

Transfer to an IRA Account: _____

Name of Financial Institution: _____ Acct. No.: _____

The check will be mailed to your address as shown above.

OPTION 2. COMMERCIAL ANNUITY OPTION

I hereby elect the annuity option indicated below:

CHECK ONE:

Option A (No guaranteed Period)

- Single Life Annuity: An annuity continuing during the Participant's lifetime only and ceasing at his/her death.
- Joint* and 100% Survivor Annuity: A full Joint and Survivor annuity payable to the Participant and his/her Joint Annuitant as long as either is alive.
- Joint* and 2/3 Survivor Annuity: A full annuity payable to both the participant and his/her Joint Annuitant as long as both are alive, with 2/3 of the income continuing to the survivor for life.

Option B (10-Year guaranteed period)

- Single Life Annuity With Ten Years Guaranteed**: An annuity continuing during the Participant's lifetime but with the balance of ten full years of income guaranteed if the Participant dies within ten years.
- Joint* and 100% Survivor Annuity With Ten Years Guaranteed**: A full annuity payable to the Participant and his/her Joint Annuitant as long as either is alive. If both Annuitants die within 10 years, full payment is guaranteed to a named Beneficiary for the balance of the 10-year period.
- Joint* and 2/3 Survivor Annuity With Ten Years Guaranteed**: A full annuity payable to the Participant and his/her Joint Annuitant as long as both are alive with 10 years of full payments guaranteed. After 10 years of payments, a surviving annuitant will receive 2/3 of a full share for life. If both annuitants die within 10 years, full payment is guaranteed to the named Beneficiary for the balance of the 10-year period.

* JOINT ANNUITY REQUIRES DESIGNATION OF JOINT ANNUITANT:

I hereby designate the individual listed below to share in all benefits under the Joint Annuity Option selected above. (If married, must be Participant's spouse unless the spouse consents not to be the Joint Annuitant by executing the Spousal Consent below).

Name of Joint Annuitant	Relationship	Social Security No.	Birth Date
_____	_____	_____	_____

** GUARANTEED PERIOD ANNUITY REQUIRES DESIGNATION OF BENEFICIARY:

I hereby designate the surviving beneficiary(ies) in the lowest numbered class to receive any and all benefits due upon my death or the death of the survivor of myself and my Joint Annuitant (if any) if I (we) should die before the end of any guaranteed payment period. If no listed beneficiary survives the Annuitant(s), the proceeds will be paid to the last surviving Annuitant's estate.

Class	Name of Beneficiary	Relationship	Social Security No.	Birth Date
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

OPTION 2. COMMERCIAL ANNUITY OPTION

THIS PORTION MUST BE COMPLETED IN THE PRESENCE OF A NOTARY PUBLIC

(ONLY NEEDED IF ANNUITY OPTION A-1 OR B-1 IS ELECTED OR IF THE JOINT ANNUITANT IS NOT THE PARTICIPANT'S SPOUSE)

COMPLETE ONE OF THE FOLLOWING SECTIONS **AND SECTION C:**

Section A: If Married Or Separated

Section B: If Single, Widowed Or Divorced

NOTE: If you are no longer legally married, but SBERA's records indicate you are married, you must submit a copy of either your spouse's death certificate or your final divorce decree (divorce nisi) with this request. Your Human Resources representative can inform you of your marital status on file at SBERA.

A. SPOUSAL CONSENT

SPOUSAL CONSENT: I, with full knowledge of the effects of this act, do certify that I am the spouse of the above-mentioned Participant and consent to the Participant's decision to waive our right to a qualified joint and survivor annuity by selecting another form of annuity payment option and/or another person as "Joint Annuitant".

Signature of Participant's Spouse: **X** _____

B. MARITAL STATUS (SINGLE) CERTIFICATION

By signing below I certify under the pains and penalties of perjury that I am NOT MARRIED.

Signature of Participant: **X** _____

C. NOTARY SIGNATURE

COMMONWEALTH OF MASSACHUSETTS

County _____, ss. Date _____

On this _____ day of _____, 200____, the undersigned notary public, personally appeared _____, proved to me through satisfactory evidence of identification, being personally known to me, to be the person whose name is signed on this document and acknowledged to me that he/she signed it voluntarily for its stated purpose as his/her free act and deed.

Notary _____

Printed Name _____

SEAL

Commission Expires _____

TAX FILING STATUS AND WITHHOLDING ELECTION - Annuity Option Only

My current TAX FILING STATUS is: (select one only)

Single Number of exemptions _____

Married

(Continued next page)

TAX FILING STATUS AND WITHHOLDING ELECTION - Annuity Option Only (continued)

WITHHOLDING ELECTION: (select one only)

- DO NOT WITHHOLD** Federal and Massachusetts income taxes from my monthly annuity payments
- WITHHOLD** Federal and Massachusetts income taxes from my monthly annuity payments based on my filing status
- Instead of withholding according to my filing status, I elect to have the following amounts withheld from each monthly pension payment: \$ _____ for Federal income taxes. \$ _____ for Massachusetts income taxes.
- I am **NOT** a resident of Massachusetts - withhold Federal income taxes only.

SIGNATURE:

Participant Signature: _____ Date: _____

Soc. Sec. Number: _____ - _____ - _____ Telephone No.: _____

SBERA USE ONLY:

Date Received:

Federal Tax Amount Withheld:

Date Paid:

Massachusetts Tax Amount Withheld:

Gross Amount:

Check No:

Check Amount:

By:

Information provided in this withdrawal request overrides any subsequent information received from outside institutions.

Please be sure of the type of distribution you elect to receive, and that all information you provide is accurate. SBERA will assess a \$100.00 processing fee for checks re-issued due to participant errors.

If you have any questions, please contact the Human Resources Representative where you were employed.

This request is to be forwarded to:

SBERA

P. O. Box 2069

Woburn, MA 01888-0169

QJSA NOTICES

EXPLANATION OF THE QUALIFIED JOINT AND SURVIVOR ANNUITY

Explanation of Benefit

A Qualified Joint and Survivor Annuity ("QJSA") provides a monthly lifetime payment to a Participant and, when the Participant dies, a monthly lifetime payment to his or her surviving Spouse in an amount equal to between 50% and 100% of the Participant's monthly benefit.

Election Privilege

If a Participant is married at his or her benefit commencement date, the benefit he or she receives will be in the form of a QJSA, which will provide a surviving Spouse's (contingent annuitant's) benefit, unless the Participant's Spouse consents and the Participant elects another form of benefit. In order to pay for the cost of continuing the Spouse's payments after the Participant's death, the amount of the Participant's monthly benefit under a QJSA is actuarially reduced to an amount which is less than the monthly amount the Participant would have received if payments terminated on the death of the Participant. The Participant may elect a further reduction in his or her monthly benefit to provide a larger surviving Spouse's monthly benefit (but the surviving Spouse's monthly benefit may never exceed 100% of the Participant's monthly benefit). If the Participant is married on the date benefits begin, benefits will automatically be paid as a 50% joint and survivor benefit, unless the Participant waives such benefit with the consent of his or her Spouse and elects an optional form of payment. Attachment B contains a table which reflects the relative values of monthly payments from different types of annuities assuming a vested account balance of \$10,000 and an interest rate of 7%.

If the Participant is unmarried when benefit payments begin, benefits will automatically be paid in the form of a monthly annuity for life, unless the Participant elects another form of benefit.

A Participant may elect to decline the QJSA form of benefits in favor of any other available form of benefit of comparable value under the Plan. Any such election to decline QJSA coverage, however, must be consented to by the Participant's Spouse in the manner described below.

A Participant may elect to decline the form of benefit during an election period which begins 90 days before his or her benefit commencement date and ends on such benefit commencement date. If, however, the Participant requests in writing from the Plan Administrator specific information on the financial effect of accepting or declining the QJSA form of benefit, the 90-day period will not be deemed to start running until the Plan Administrator provides the requested information. All elections must be in writing and may not be changed after the benefit commencement date. If a Participant begins to receive benefits in the form of a QJSA, and then survives his or her Spouse, there is no change in the amount of the Participant's monthly benefit payable during the Participant's lifetime and benefit payments will stop at the Participant's death.

Spousal Consent Requirement

Any election by a Participant to decline the QJSA form of benefit must be consented to in writing by the Participant's Spouse. The consent must be witnessed by a representative of the Plan or by a notary public, must evidence understanding by the consenting Spouse of the effect of such election and consent, and must be irrevocable as of the benefits commencement date. If the Participant's election of an alternate form of benefit would result in the payment of benefits after the Participant's death to persons other than his or her Spouse, a separate or additional written consent by such Spouse is required in which the designation of specific non-spousal Beneficiaries is approved.

Effect of Election

If a Participant makes an election to waive the QJSA form of payment, any benefit payable after his or her death will be payable as provided under the form of benefit elected by the Participant, as described below. If the Participant makes an election (with spousal consent) to decline the QJSA form of payment and thereafter revokes the election (which revocation must occur before the Participant's benefit commencement date), the Participant's benefit will once again become payable in the form of a QJSA. The Participant may not thereafter again elect to decline the QJSA form of payment without again securing spousal consent to the new election.

Additional Information

The Participant may make a written request to the Plan Administrator requesting a personalized statement describing the effect of electing an optional form of benefit and providing a comparison of relative values under each available optional form of benefit.

GENERAL DESCRIPTION OF ALTERNATE FORMS OF BENEFIT PAYMENT

Your benefit under the Plan may be distributed in any of the following forms. If you are married when your benefits begin to be paid, spousal consent is required if benefits are to be distributed in any form other than as a Qualified Joint and Survivor Annuity.

Option 1 – Single Cash Payment: A payment of the present value of your entire vested account balance/accrued benefit under the Plan. No further benefits will be payable to you or to any other person by reason of your participation in the Plan.

Option 2 – Installment Payments: A series of monthly, quarterly, semi-annual or annual payments in cash of the present value of your entire vested account balance/accrued benefit under the Plan, paid over a fixed period of time. If you die before your entire vested account balance/accrued benefit under the Plan has been distributed, the unpaid balance will be paid to your designated Beneficiary, in cash, in a single payment, or installments over the remainder of the prescribed period.

Option 3 – Life Annuity: Monthly payments commencing on your benefit commencement date and continuing thereafter during your lifetime. There are no benefits payable after your death.

Option 4 – Period Certain Annuity: Payments beginning on your benefit commencement date and continuing thereafter monthly during your lifetime. If you die during the "guaranteed" or "certain" period, benefit payments will continue after your death for the balance of the guaranteed or certain period to your designated beneficiary. If you die during the guaranteed or certain period (which may be 60 months, 120 months or 180 months), the benefit payments will stop at the end of that period. For example, if you select a period guaranteed or certain of 120 months and live longer, the benefits will be paid for your entire lifetime. If you make that 120-month guaranteed or certain period election and die after receiving 70 monthly payments, your beneficiary will receive the same payments for 50 months.

Option 5 – Contingent Survivor Annuity: A monthly benefit for your lifetime, with a monthly benefit continuing after your death for the lifetime of your "contingent beneficiary" who is designated before the benefit commencement date. The amount of your lifetime benefit and of the benefit payable to your surviving contingent Beneficiary depends upon your age and your contingent Beneficiary's age. If your contingent Beneficiary dies before your benefit commencement date, your election of this form of benefit will be void. If your contingent Beneficiary dies during your lifetime but after your benefit

commencement date, there will be no survivor's benefit and your lifetime benefit will cease at your death.

Election Period Information

You may elect the form of benefit most suitable to you at any time before your benefit commencement date. All elections must be made in writing on forms satisfactory to the Plan Administrator, and the written and notarized consent of your spouse (if any) may be required. You may request specific information on the financial effect of accepting or declining the Qualified Joint and Survivor Annuity form of benefit by contacting the Plan Administrator in writing. You will not be required to make a final and irrevocable election as to your choice of benefit distribution form until at least 90 days after you have received all of the information you have requested in writing as to the economic effect of making that election. Also, you will not be required to make any election more than 90 days before your benefit commencement date. If you are reemployed by the Plan sponsor after your benefits begin to be paid, your benefit payments may or may not continue during the period of your reemployment. Final elections and any required spousal consents must be executed (and, in the case of the spousal consent, witnessed by a representative of the Plan or notarized) within 90 days before your benefit commencement date.

The table below shows the relative values of monthly payments from different types of annuities, assuming a vested account balance of \$10,000 and an annual interest rate of 7%. This table is only an illustration and does not reflect the value of your individual benefit or actual payments you or your beneficiaries would receive. You may request specific information on the financial affect of accepting or declining the Qualified Joint and Survivor Annuity form of benefit by contacting the Plan Administrator in writing.

<u>Assumptions:</u>	Vested Account Balance: \$10,000				Interest Rate: 7%			
<u>Participant's Age:</u>	65	60	55	50	45	40	35	30
<u>Spouse's Age:</u>	62	57	52	47	42	37	32	27
<u>Annuities</u>								
50% Joint & Survivor	\$83.72	\$76.29	\$70.89	\$66.95	\$64.06	\$61.93	\$60.39	\$59.28
100% Joint & Survivor	79.27	72.87	68.25	64.94	62.54	60.77	59.50	58.55
Lifetime								
5-Year Certain and Life	92.86	83.62	76.60	71.34	67.39	64.44	62.27	60.69
10-Year Certain and Life	86.91	80.33	74.79	70.33	66.82	64.12	62.08	60.57
<u>Installment Payments Based on Life Expectancy</u>								
Life in Years	15.35	18.88	22.74	26.89	31.28	35.85	40.53	45.28
Monthly Payment	\$92.47	\$82.83	\$76.07	\$71.30	\$67.92	\$65.53	\$63.85	\$62.67

SPECIAL TAX NOTICE FOR PAYMENTS **NOT** FROM A DESIGNATED ROTH ACCOUNT

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to an IRA or an 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 from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan Administrator will tell you the amount that is being paid from each account.

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?

You will be taxed on a payment from the Plan if you do not roll it over. If you are underage 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 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan. An employer plan is a plan qualified under Section 401(a) of the Internal Revenue Code (including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan), a Section 403(a) annuity plan, a Section 403(b) tax-sheltered annuity, and an eligible Section 457(b) plan maintained by a governmental employer (a governmental 457 plan) that will accept the rollover. Your payment may be rolled over to a Roth IRA (see the Special Rules and Options section below). Your payment cannot be rolled over a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).

An employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if an eligible employer plan accepts rollovers, it might not accept rollovers of certain types of distributions. If this is the case, you may wish to roll your distribution over to an IRA instead. If an eligible employer plan accepts your rollover, the rules of the employer plan will determine your investment options, fees, and rights to payment from that plan. Further, the amount rolled over will become subject to the tax rules that apply to the employer plan. In addition, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

How do I do a rollover?

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. 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).

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 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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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 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 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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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, will the 10% additional income tax apply to early distributions from the IRA?

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

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. 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.

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 a portion is paid to you, each of the payments will include an allocable portion of the after-tax contributions. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being aftertax 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. 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, Individual Retirement Arrangements (IRAs).

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

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 for 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.

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 and 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.

If you were born on or before January 1, 1936

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

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

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

If you are an eligible retired public safety officer and your pension 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

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than \$100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment 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). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

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, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.

If you are not a plan participant

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

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after 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. You will have to receive required minimum distributions from the inherited IRA.

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 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.

If you are a nonresident alien

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

also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice 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 you choose not to take a distribution at this time or do not respond to this Notice:

If your vested account balance is \$1,000 or less, the Plan Administrator will automatically distribute your vested account balance to you subject to the withholding requirements above; no distribution will be made to you without your consent if your vested account balance is greater than \$1,000.

If your vested account balance above includes Rollover Contributions made by you to this Plan, those Rollover Contributions will be included when determining the \$1,000 amount.

Also if you elect not to take a distribution at this time, such election must be communicated to the Plan Administrator. To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Allocating your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

In making the decision as to whether or not to defer payment of your plan benefits it is important to consider numerous factors, including but not limited to premature distribution penalties described elsewhere in this Notice, the potential loss of investment income on a tax deferred (or Roth tax-free) basis, the investment fees charged by this plan versus those that will be charged by alternative investment vehicles such as rollover IRAs or other employer plans. Depending on how you invest your assets outside this plan you may or may not be able to invest in assets that provide higher rates of return.

If you do not take a distribution of your account from the Plan or fail to respond to this Notice, the administration expenses and fees that currently apply to benefit accounts under the Plan are described on Schedule A of this Special Tax Notice Regarding Plan Payments. If you request a distribution of your Plan Account, see Schedule A of this Special Tax Notice Regarding Plan Payments for further information on the processing fee that may be charged to cover the cost of your request.

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.

Your Right To Waive the 30-Day Notice Period.

Generally, neither a direct rollover nor a payment can be made from the Plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover to an IRA or an employer plan. Your withdrawal will then be processed in accordance with your election as soon as practical after the Plan Administrator receives it.

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.

SPECIAL TAX NOTICE FOR PAYMENTS FROM A DESIGNATED ROTH ACCOUNT

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan Administrator will tell you the amount that is being paid from each account.

Rules that apply to most payments from a designated Roth account 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?

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 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?

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.

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.

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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.

If you do not do a direct rollover, 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 an 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?

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
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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 S corporation stock is held by an IRA).

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 a 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.

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

- Payments made after you separate from service if you will be at least age 55 in the year of the separation

- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to 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

- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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 a Roth IRA, will the 10% additional income tax apply to early distributions from the 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 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 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).

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, Individual Retirement Arrangements (IRAs).

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

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 for 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

K-11 Retirement Form (01-10)

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 designated Roth account in an employer plan.

If you receive a nonqualified distribution and 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 is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you receive a nonqualified distribution, are an eligible retired public safety officer, and your pension 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 nonqualified distributions 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

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, 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 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 this notice).

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 K-11 Retirement Form (01-10)

also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice 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 you choose not to take a distribution at this time or do not respond to this Notice:

If your vested account balance is \$1,000 or less, the Plan Administrator will automatically distribute your vested account balance to you subject to the withholding requirements above; no distribution will be made to you without your consent if your vested account balance is greater than \$1,000.

If your vested account balance above includes Rollover Contributions made by you to this Plan, those Rollover Contributions will be included when determining the \$1,000 amount.

Also if you elect not to take a distribution at this time, such election must be communicated to the Plan Administrator. To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Allocating your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerances for risk. It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

In making the decision as to whether or not to defer payment of your plan benefits it is important to consider numerous factors, including but not limited to premature distribution penalties described elsewhere in this Notice, the potential loss of investment income on a tax deferred (or Roth tax-free) basis, the investment fees charged by this plan versus those that will be charged by alternative investment vehicles such as rollover IRAs or other employer plans. Depending on how you invest your assets outside this plan you may or may not be able to invest in assets that provide higher rates of return.

If you do not take a distribution of your account from the Plan or fail to respond to this Notice, the administration expenses and fees that currently apply to benefit accounts under the Plan are described on Schedule A of this Special Tax Notice Regarding Plan Payments. If you request a distribution of your Plan Account, see Schedule A of this Special Tax Notice Regarding Plan Payments for further information on the processing fee that will be charged to cover the cost of your request.

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.

Your Right To Waive the 30-Day Notice Period.

Generally, neither a direct rollover nor a payment can be made from the Plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover to an IRA or an employer plan. Your withdrawal will then be processed in accordance with your election as soon as practical after the Plan Administrator receives it.

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.
