NORTHERN ILLINOIS ANNUITY FUND AND PLAN

<u>CHECKLIST</u>*

HAVE YOU COMPLETED AND RETURNED ALL OF THE APPROPRIATE FORMS LISTED BELOW?

IF ANY DOCUMENTS ARE MISSING YOUR PAYMENT MAY BE DELAYED.

☐ Benefit Application **pages 2 - 3**

☐ Amount of Distribution Election **page 11**

☐ Participant Distribution Election **pages 12 - 13**

☐ Explanation of Fund Valuation page **15**

PLEASE MAKE SURE TO INCLUDE:

☐ Proof of Age/Identity (only one type of proof needs to be provided) **page 4**

* This form is for your use only. You do not need to return it with the application.

Northern Illinois Annuity Fund

Physical: 7525 SE 24th St, Ste 200, Mercer Island, WA 98040 · Mailing: PO Box 34203, Seattle, WA 98124
Phone: (206) 441-7574 or (800) 732-1121 · Fax: (206) 695-0984
Website: www.niannuityfund.com
Administered by
Welfare and Pension Administration Services, Inc.

BENEFIT APPLICATION

Please read this application carefully before answering any questions. Print your answers to all questions, which apply to you. If any part of this application is not entirely clear, do not hesitate to contact the Plan Administrator's Office for assistance. Be sure to sign and date the back of this form.

1. NAME ______________________________
   (Last) (First) (Middle)

2. ADDRESS ______________________________
   (No. and Street) (City) (State) (Zip Code)

3. TELEPHONE NUMBER ______________ BIRTHDATE ______________

4. SOCIALSECURITY NUMBER ______________________________

5. HAVE YOU SERVED IN THE MILITARY SINCE 1994? IF, YES – DATE ENLISTED ______________
   DATE DISCHARGED ______________

6. CHECK ALL OF THE FOLLOWING THAT APPLY TO YOU:

   a. ☐ I am age 62 or older. Please attach proof of age to this form. (See Instructions Regarding Proof of Age)
      Complete SECTION D on the back of this form

   b. ☐ I am or soon will be retired from the Construction Industry.
      Complete SECTIONS A and D on the back of this form.

   c. ☐ I am totally and permanently disabled.
      Complete SECTIONS B and D on the back of this form.

   d. ☐ To the best of my knowledge, there have not been any contributions made on my behalf for at least 12 consecutive months and I am not currently employed by an employer that has a collective bargaining agreement, which requires contributions to be made to this plan for me.
      Complete only SECTIONS C and D on the back of this form.

7. Are you legally married at this time? Yes ☐ No ☐ (Check One)
   If "yes", please complete the following:

   SPOUSE ______________________________
   (Last) (First) (Middle)

   SPOUSE'S BIRTHDATE ______________ DATE OF MARRIAGE ______________

   If your account balance is over $5,000.00, please attach proof of your spouse's age and your date of marriage to this application form.

   SPOUSE'S SOCIAL SECURITY NUMBER ______________________________

Are you considering or currently in the process of obtaining a divorce: Yes ☐ No ☐

Were you previously married and divorced: Yes ☐ No ☐ If yes, what was the date? ______________
Please provide a complete, certified copy of the Order, Agreement and/or Divorce Decree.

SECTION A

Date you retired or intend to retire ______________________________

(To be retired you have to be receiving a Construction Industry pension benefit to which you are entitled.)

Will you receive a pension check from Central Laborers' Pension Fund? Yes☐ No☐

If not, please attach a copy of your first pension check.

Local Union No. ______________________

SECTION B

1. Date you became disabled ______________________________
2. Nature of disability ______________________________
3. Name and address of your doctor ______________________________

____

____

Please attach medical evidence of your disability to this application form.

4. Will you receive a disability pension from Central Laborers' Pension Fund?

   Yes☐ No☐ (Check One)

   a. If "no" will you apply for social security disability benefits?

      Yes☐ No☐ (Check One)

   b. If "yes", attach a copy of the social security award.

   c. If "no", indicate your future plans regarding your disability ______________________________

   ____

SECTION C

When did you last work as a covered employee under the jurisdiction of the Northern Illinois Annuity Fund?

____

(Indicate Month and Year)

Present Employer (if any) ______________________________

Last Contributing Employer ______________________________

SECTION D

FOR ALL APPLICANTS

I hereby apply for benefits from the Northern Illinois Annuity Fund. The above statements are true to the best of my knowledge and belief. I understand that a false statement may disqualify me for benefits, and that the Board of Trustees shall have the right to recover any payments made to me because of a false statement.

______________________ ______________________

Signature Date

GENERAL COUNSEL: Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich,
8 South Michigan Avenue, 19th Floor, Chicago, IL 60603 (contact William M. Kinney or Justin J. Lannoye)

After completed forms are returned to the Plan Administrator's Office your application will be reviewed by the Board of Trustees and you will be notified in writing of the decision that is made on your application. The Plan Administrator's Office is located at PO Box 34203, Seattle, WA 98124.

INSTRUCTIONS REGARDING PROOF OF AGE

One of the types of proof of age listed below must be furnished. Proof as high in order on the list as possible should be submitted because such proof is generally more convincing. For instance, if you have or can readily obtain a birth certificate, it should be submitted rather than a Baptismal certificate or a statement of birth shown by a church record. If you do not have any of these proofs, or they are not readily obtainable, try to submit the proof listed next in order, rather than one low on the list. The Trustees may require additional proof of age if the document which you submit is not convincing proof. Therefore, please furnish a document which is high in order of preference on the list. You must attach a photocopy of the proof of age to your application for benefits. However, you are cautioned that naturalization papers, United States passports, and immigration papers may not be photographed. If any of these is the only proof of age you have, submit the original and it will be returned.

1. A Birth Certificate.
2. Baptismal certificate or a statement of the date of birth shown by a church record, certified by the custodian of such records.
3. Social Security approval.
4. Medicare Identification card.
5. Notification of registration of birth in a public registry or vital statistics.
6. Certification of record of age by the U.S. Census Bureau.
7. Hospital birth record certified by the custodian of such record.
8. A foreign church or government record.
9. A signed statement by the physician or midwife who attended birth, as to the date of birth on their records.
10. Naturalization record. (Photocopy not permitted; submit original.)
11. Immigration papers. (Photocopy not permitted; submit original.)
12. Military record.
13. School record certified by the custodian of such record.
14. Vaccination record certified by the custodian of such record.
15. An insurance policy which shows age or date of birth.
16. Marriage records showing date of birth or age. (Application for marriage license or church record, certified by the custodian for such record; or marriage certificate.)
17. Other evidence, such as signed statements from persons who have knowledge of the date of birth; voting records; poll tax receipts; driver's license; etc.

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Please <u>read all the following instructions and information</u> very carefully before completing any of the forms. To save paper, information may have been printed on both sides of the page. Please make sure you have looked on both sides of every page.

PARTICIPANT DISTRIBUTION NOTICE
This notice does not need to be returned.

You are entitled to distribution under <u>the Northern Illinois Annuity Fund and Plan</u> ("Plan"). We have enclosed distribution forms with this notice. This notice explains your election rights under the Plan. The following information is important to these election rights.

1. **Distribution Date**

   A. Your proposed distribution date is Friday ________________________________.
   The proposed distribution date is the earliest date the Plan permits you to commence receipt of your Account Balance or the date which you elected to commence distribution under a prior election to delay distribution.

   B. **Withdrawal requests are reviewed by the Trustees each week of each month. Your completed request must be received by the Administration Office on or prior to Wednesday ____________________________ to be considered on your proposed distribution rate.** If you miss this date, these forms are still valid for next month's review of withdrawal forms. You do not need to request another set of forms.

   C. **All distributions are subject to the Trustees' approval.** Subject to the provisions of Paragraph (3) below, checks for approved withdrawals are mailed out on the business day following the Trustees' approval.

2. **Account Balance.** Value of total Account Balance $ ______________________________
   The values are from the latest Valuation of your Account, dated August 2022.
   There may be a later Valuation before your actual distribution. Any current contributions received since the last valuation will be distributed as soon as administratively feasible after receipt by the Plan to the extent consistent with your distribution election.

3. **MINIMUM NOTICE PERIOD.** ***For at least 30 days after you receive this notice,*** you have the right to consider your decision whether to consent to a distribution of your Account Balance, whether to waive the Qualified Annuity Benefit (see Paragraph 3) and to consent to another benefit option (see Paragraph 3), and whether to elect a direct rollover of any portion of your distribution eligible for rollover. If you sign and return the enclosed Participant Distribution Election form to the plan administrator less than 30 days after you receive this notice, the plan administrator's receipt of your signed form is your *affirmative waiver* of any unexpired portion of the minimum 30-day period and your affirmative election of a distribution or a direct rollover. If you affirmatively elect a benefit option other than the Qualified Annuity Benefit, you have the right to revoke that election until the actual annuity starting date, or if later, for at least 7 days after you receive this notice. The Plan may not commence distributions prior to the eighth day after you receive this notice.

1. **Forms and additional information included in this package.** Please use the enclosed checklist to make sure you have completed all of the appropriate forms and included proof of age/identity. Any incomplete requirements will be returned, and your distribution will be delayed. We have provided you with the following:

   SPECIAL TAX NOTICE REGARDING PLAN PAYMENT. This notice explains your right to elect a direct rollover of your Account Balance to another plan or IRA. This notice also explains the income tax withholding rules if you elect to receive payment directly from the Plan. If you have any questions regarding withholding or method of distribution, you should talk to your tax advisor.

   BENEFIT APPLICATION. Complete fully according to instructions.

   PARTICIPANT DISTRIBUTION ELECTION. Use this form to elect payment of your benefits. See the explanation of benefit options in paragraph 2. If you are married and your account balance is more than $5,000, your spouse must consent to your election unless you elect the Qualified Annuity Benefit.

   POSTPONEMENT OF DISTRIBUTION ELECTION. If you do not wish to receive payment or elect a direct rollover at this time, complete this form instead of the Participant Distribution Election Form. You cannot use this form if you have reached the latest time under the Plan for commencing distribution. See Paragraph 4.

   AMOUNT OF DISTRUBTION ELECTION. Use this form to indicate the amount of your Account Balance that you want to withdraw.

   EXPLANATION OF FUND VALUE.

   COPY OF PROOF OF AGE/IDENTITY. Please see enclosed list of acceptable types of proof. Your Driver's license is an acceptable form of identity.

1. **Benefit payment options.** Unless you elect another form of payment, the Plan requires payment to you in the form of a Qualified Annuity Benefit. This notice includes an explanation of the Qualified Annuity Benefit. Instead of a Qualified Annuity Benefit, you may elect distribution in one or more of the following methods:

A. Direct Rollover
B. Lump Sum Payment
C. Installments over a specific period of time

You may elect one form of payment for part of your Account Balance and another form of payment for another part of your Account Balance. For example, you may elect a direct rollover for a portion of your Account Balance and a lump sum for the other portion.

2. **Qualified Annuity Benefit.** If you are married, the Qualified Annuity Benefit is a joint and 50% survivor annuity or qualified optional survivor annuity ("QOSA"), depending on your election. A joint and 50% survivor annuity is a level monthly payment for the rest of your life and, if your spouse survives you, a level monthly payment for your spouse equal to 50% of the monthly amount payable during your joint lives. As an alternative to the joint and 50% survivor annuity, you may elect to receive the Qualified Annuity Benefit in the form of a QOSA. A QOSA is a level monthly payment for your life, and if your spouse survives you, a level monthly payment for your spouse after your death of 75% rather than 50% of the monthly amount payable during your joint lives. Your election of the QOSA will result in a reduction of the level monthly payment you would receive for your life under the joint and 50% survivor annuity. The Plan Administrator, upon request, will provide you with a calculation of this adjustment.

   If you are not married, the Qualified Annuity Benefit is a life annuity. A life annuity is a level monthly payment for your lifetime, with the monthly payments stopping upon your death.

   These annuity payments (either single life or joint lives annuity) are guaranteed for your lifetime and, if you are married, your spouse's lifetime.

   The plan administrator will satisfy the Qualified Annuity Benefit by using your Account Balance to purchase an annuity contract from an insurance company. The plan administrator will send you the contract as evidence of your right to receive the annuity payments from the insurance company. The actual level monthly payments made under the annuity contract will depend on the annuity purchase rates used by the insurance company, your age, and, if you're married, your spouse's age at the time the distribution begins, and the amount of your Account Balance at the time the plan administrator purchases the annuity contract.

   To determine the approximate level monthly payment, you will receive under a Qualified Annuity Benefit as of the proposed distribution date, call the Administration Office with your date of birth and your spouse's date of birth, if married, for a quote.

3. **Postponement of Distribution.** You do not have to commence distribution if you have not attained normal retirement age under the Plan (or age 62, if later). If you do not wish to commence distribution at this time, you may complete the Election to Postpone Distribution of Benefits. This form allows you to elect a delayed distribution date. You will receive a notice from the Plan shortly before that delayed distribution date explaining your distribution rights. Under a postponement election, your Account Balance will be subject to adjustment for investment earnings, gains, or losses. Because of the investment performance of the trust fund (or of your individual account investments if you direct your own investments), the amount the Trustee ultimately pays you at your postponed distribution date could be more or less than

the value of your Account Balance described in this notice. *If you fail to complete and return the Postponement of Distribution Election form, the Plan Administrator will treat your failure as an election to defer your distribution until the later of age 62 or normal retirement age. However, unless the plan imposes a restriction on the timing of your distribution, you may revoke your election to defer distribution and receive a distribution in accordance with the Plan.*

If you elect to receive your Plan distribution rather than postpone the distribution, you will be subject to immediate federal, state (if applicable), and the 10% premature distribution taxation (unless you are 59½ or qualify for an exception) and you will lose the opportunity the opportunity to accumulate earnings on your retirement account on a tax-deferred basis (tax-free for Roth contributions) for retirement unless you roll over the distribution to an IRA or other retirement plan. This means that by taking the distribution now, you could end up with a much lower retirement income, than if you leave your assets in the plan to build (tax-deferred or tax-free) for your retirement. This could be the result even if you invest (instead of spending) the amount of your distribution that you have left after payment of taxes.

4. **Financial effect of distribution options.** Under a Qualified Annuity Benefit, you will receive lifetime income. If you are married and your spouse predeceases you, the annuity payments will continue until your death. If you're married and your spouse survives you, the Qualified Annuity Benefit will make the joint life payments until your death and continue 50% of the joint life payments (75% of the joint life payments if you instead elect the QOSA) until your spouse's death. The Qualified Annuity Benefit will not pay any death benefits to other beneficiaries. If you waive the Qualified Annuity Benefit, you may receive your Account Balance in any form described in section 2 of this notice.

   A direct rollover means the Plan pays the distribution amount directly to another plan or to an IRA. See the Rollover Options section of the Special Tax Notice Regarding Your Plan Payments, included with your package. A lump sum payment means <u>you</u> receive a single payment ofthe distribution amount. See the Special Tax Notice Regarding Plan Payments for tax consequences. Under an installment distribution, the Plan makes periodic payment of your Account Balance over a specified period of time. You may elect to the installment distributions or directly from the trust or you may elect to have the plan administrator buy a non-transferable annuity contract which will provide the installment distributions. If you elect installment payments directly from the Plan, your Account Balance will be subject to gain or loss in the same manner as other trust fund assets, unless the plan administrator directs the Plan Administrator to segregate your Account Balance in fixed income investments.

   If the Plan Administrator invests your account in the same manner as other trust fund assets, because of the investment performance of the trust fund (or, if you direct your own investments in accordance with the Plan, because of the performance of your individual investments), the total amount the Plan ultimately pays you could be more or less than the value of your Account Balance as of the proposed distribution date or as of the date of the termination of your employment with the Employer. If you elect an installment distribution, you also must complete a Beneficiary Designation form. If you are married, your spouse must consent to the beneficiary designation unless your spouse in the only designated beneficiary. In order to secure your spouse's timely consent to a non-spouse beneficiary, you must execute a new beneficiary designation to which your spouse must consent within the 180-day period immediately preceding the benefit commencement date.

If you elect installment payments directly from the Plan, the Plan will calculate each annual installment payment by dividing your latest Account Balance by the remaining installment period. After commencing an installment distribution, you may accelerate the payment of all, or any portion, of your unpaid Account Balance at any time. Under a non-transferable annuity contract, the Plan will apply your entire Account Balance to the purchase of the contract and the contract will provide payments over the elected installment term. The level of payments provided under the contract will depend on the terms of the contract you choose.

As required under Federal Law, the Plan compares the value of each type of optional forms of benefit under the Plan. The Plan has concluded that all optional forms of benefit under the Plan have the same value (meaning they equal your account balance or are actuarially equivalent if paid in the form of an annuity). If you would like information regarding how the different forms of benefit are calculated or would like comparisons based on your specific information, please call or send a written request to the Administration Office.

5. **Consequences of failing to defer your distribution.** Your decision whether to take your distribution now or to defer receipt of your distribution has tax implications to you.

   Loss of pre-tax growth. If you take the distribution now (and do not rollover the distribution): (1) you must include the distribution in your gross income for the year of the distribution, except to the extent you have "basis" (after-tax dollars) in your account; and (2) you lose the opportunity to defer taxation on any earnings on your account balance and to earn additional pre-tax earnings on the earnings themselves (referred to as compounding of pre-tax earnings). The longer you delay the distribution, the longer the period you have to accumulate more earnings in your account.

   Potential 10% additional tax. If you are currently under the age of 59½ and you receive your distribution, the taxable portion of the distribution of the distribution will be subject to a 10% penalty tax in addition to any federal income tax, unless an exception applies. Deferring the distribution until you attain age 59½ avoids this 10% penalty. See the Special Tax Notice Regarding Plan Payments given to you with this notice for a further explanation of the tax consequences of your distribution alternatives.

   Rollover benefits. If you roll over the distribution (either by a direct rollover or by receiving the distribution and rolling over the distribution within 60 days of receipt), you can continue to receive the benefits of retirement plan growth, as is more fully explained in the Special Tax Notice Regarding Plan Payments.

   Potential investments and fees. Some investment choices under the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment-related fees) outside the Plan may be different from fees and expenses that apply to your Plan account. Please contact the administrative office at (800) 732-1121 to request additional information on (1) the general availability outside the Plan of the Plan's currently available investment options or (2) the fees and expenses which apply to your account.

6. **Further information.** Please be advised that effective 1/1/2003, if you withdraw your account balance in the three months following the end of a valuation period (i.e., June, July, August; or December, January, February) we will withhold as a Pre-Valuation Expense the larger of $50.00 or 2% of your account balance from your distribution. This withholding is necessary to cover the actual semi-annual expense charge and any gain or loss that the Fund incurs will be added or deducted from your account once the valuation is completed. Any remaining balance will be paid to you once the valuation is completed.

If you have any questions regarding the information provided in this notice or any of the forms included with your distribution package, please do not hesitate to call the Administrative Office at (800) 732-1121.

Sincerely,

THE TRUSTEES

GENERAL COUNSEL: Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich,
8 South Michigan Avenue, 19th Floor, Chicago, IL 60603 (contact William M. Kinney or Justin J. Lannoye)

NORTHERN ILLINOIS ANNUITY FUND AND PLAN
AMOUNT of DISTRIBUTION ELECTION

If you are withdrawing 100% of your account (even if a portion is being rolled over and you are getting a check for the remainder) please check All my benefits and sign and date the form.

If you elect to receive a distribution of a portion of your Account Balance:

- If you are withdrawing because you have not worked in Covered Employment(employment where contributions are made on your behalf to the Fund) for 12 consecutive months, and you return to work before you have withdrawn your full Account Balance, you will not be allowed to withdraw the balance until you become eligible again

- This will not set up automatic installment payments

- The mandatory 20% Federal Tax withholding still applies for any amount distributed directly to you (except for withholding on Required Minimum Distributions, which is 10%)

When filling out the amount of the partial distribution, please be very specific. The amount of the distribution will be figured on your last Valuation Account Balance.

- If you would like a specific dollar amount, please indicate if it is before or after taxes.

- If you would like a percentage of your account balance, list the percentage in the space provided. The amount requested will be reduced by the required tax withholding, if any.

- If you have attained age 72 and have elected only to receive your Required Minimum Distribution, you may elect to waive income tax withholding on your Required Minimum Distribution by filing IRS Form W-4P with the Fund Office. Even if you elect not to have Federal income tax withheld, you are liable for payment of Federal income tax on the taxable portion of your Required Minimum Distribution. You also may be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate. Please consult with your personal tax advisor. If you do not elect out, 10% of your Required Minimum Distribution will automatically be withheld.

****

I HAVE READ THE INFORMATION ABOVE AND I HAVE MADE THE FOLLOWING DECISION:
(check one)

☐ ALL of my benefits (STOP HERE and Sign and Date the form)

☐ PART of my benefits as follows:

________________%

or $ ________________

Check one if a fixed dollar amount is specified:
☐ As Calculated Before Tax Withholding (20%)
☐ As Calculated After Tax Withholding

☐ I have attained age 72 and I elect ONLY to receive my REQUIRED MINIMUM DISTRIBUTION at this time. I understand that 10% of my Required Minimum Distribution will be withheld for federal income tax purposes ***unless*** I have filed IRS Form W-4P with the Fund office.

SIGNATURE____DATED ______________________

NORTHERN ILLINOIS ANNUITY FUND
PARTICIPANT DISTRIBUTION ELECTION
(Account Balance exceeds $5,000)

1. Election. After reading the Participant Distribution Notice and the Special Tax Notice Regarding Plan Payments I, the undersigned Participant, make the following distribution election: (Choose (a) or (b))

☐ (a) Qualified Annuity Benefit. I elect to receive the Qualified Annuity Benefit, as explained to me in the Participant Distribution Notice, in the following form of payment.
[Note: If you elect (a), complete only sections 6 and 7 on the back]

☐ (1) Joint and 50% survivor annuity. The joint and 50% survivor annuity.

☐ (2) Optional joint and 75% survivor annuity. The optional joint and 75% survivor annuity.

☐ (b) Waiver of Qualified Annuity Benefit. I do <u>not</u> wish to receive the distribution of my Account in the form of a Joint and 50% Survivor Annuity. I waive the Qualified Annuity Benefit and instead elect: (Choose (1), (2), (3) or (4))

☐ (1) Direct Rollover. A direct rollover of my entire Account Balance to the IRA, Roth IRA or the plan designated in Section 3.

☐ (2) Partial Direct Rollover/Remaining Lump Sum. A direct rollover of the following portion of my account Balance to the IRA, Roth IRA or Plan designated in Section 3: ____________________________________(not less than $500), with the balance paid to me in lump sum, less income tax withholding.

☐ (3) Lump Sum. A lump sum payment of my <u>entire</u> Account Balance, OR a <u>portion</u> thereof paid to me (please make sure to fill out the Amount of Distribution Election Form), less income tax withholding.

☐ (4) Installment payments. Please provide me the necessary forms for electing an installment payment method. [Note: The installment method election form will permit you to split your distribution between installments and lump sum and to elect a direct rollover of any payment which is an eligible rollover distribution.]

As required under Federal Law, the Plan compares the value of each type of optional forms of benefit under the Plan. The Plan has concluded that all optional forms of benefit under the Plan have the same value (meaning they equal your account balance or are actuarially equivalent if paid in the form of an annuity). If you would like information regarding how the different forms of benefit are calculated or would like comparisons based on your specific information, please call or send a written request to the Administrative Office.

2. Beneficiary designation. If you elect a Qualified Annuity Benefit your spouse is your designated beneficiary. If you elect Installment payments and you wish to have a designated beneficiary other that your spouse. You must request and complete a Beneficiary Designation form and your spouse must consent to the non-spouse beneficiary you designate.

3. Information for Direct Rollover. [Do not complete unless you check 1(b)(1) or 1(b)(2)]

I represent that the IRA, Roth IRA or plan designated below is a proper recipient plan for a direct rollover.

Name of IRA, Roth IRA or plan ____

____

If an IRA or Roth IRA, name of trustee, custodian or insurer ______________________

____

Address to send direct rollover ____

____

____
Signature of Authorized Representative

____
Title

4. Subsequent allocations. If subsequent to the distribution, but no more than 180 days from the date the Plan Administrator provided you with the Participant Distribution Notice, the Plan Administrator determines you are eligible for an additional allocation of earnings, forfeitures or employer contributions, the Plan Administrator will treat this consent to the distribution as applicable to the subsequent allocation and will make a subsequent distribution of such amounts in accordance with this election.

5. Waiver of minimum notice period. I consent to an immediate distribution of my Account Balance. I affirmatively waive any unexpired portion of the minimum 30-day notice period during which I may consent to a distribution from the Plan.

6. Marital status. I am: (check one) ☐ Married ☐ Not Married.

Note: If you are married and you elected 1(b), your spouse must complete section 8 in front of a notary.

7. Execution. Dated this______day of_______________________, 20____.

____
YOUR SIGNATURE

____
Your Social Security Number

8. Consent of Spouse

I,_______________________________________, spouse of the Participant hereby consents to the waiver of the Qualified Annuity Benefit and to the timing and form of distribution elected on this form. I have received a written explanation of the Qualified Annuity Benefit, my right not to consent to this waiver election, the waiver election period, and the financial effect of the election not to receive benefits in the Qualified Annuity Benefit form. I understand my consent is irrevocable unless my spouse revokes the waiver election. I understand any change in this form of benefit election is subject to my consent, unless my spouse elects to receive the Qualified Annuity Benefit.

I have executed this election this_____ day of__________________________, 20 .

____
Signature of Participant's Spouse

<u>Note: If the spouse completes section 8, their signature must be witnessed by a notary</u>.

9. Witness by Notary.

STATE OF ______________________

COUNTY OF ____________________

Before me, the undersigned, a Notary Public, personally appeared____________________________________who executed the above Consent of Spouse as a free and voluntary act

In Witness Whereof, I have signed my name and affixed my official notarial seal this___________day of _________________________, 20___.

____
Notary Public Signature

My commission expires ______________ ________

NORTHERN ILLINOIS ANNUITY FUND
POSTPONEMENT OF DISTRIBUTION ELECTION

To the Plan Administrator of the Northern Illinois Annuity Fund ("Plan"):

Re:____, Participant__________________________SSN

In accordance with the Plan, I elect to postpone distribution of benefits. I have received an explanation of my distribution election rights under the Plan, the financial effect of my election and my right to postpone distribution from the Plan. Considering these options, I have elected to postpone distribution until the following distribution date:

❒ (a)____.

❒ (b)_______________________________________following the close of the plan year in which:

- ❒ (1) I attain normal retirement age under the Plan, which is age 62.
- ❒ (2)__________________________________.

❒ (c) April 1 following the close of the calendar year in which I attain age 72.

❒ (d) April 1 following the later of the close of the calendar year in which I attain age 72 or separate from service.

[*Note*: For purposes of the blank space after (a) or after (b), insert the distribution date you are electing. The Plan only permits you to elect the following distribution dates:

Requests for distribution are only considered by the Trustees on the second Thursday of each month.]

I understand I may reconsider this election by submitting a new postponement of distribution form to you. Not earlier than 180 days before nor later than 30 days before my postponed distribution date, I will receive the necessary notice and election forms to choose the type of distribution I wish to receive from the Plan.

Dated this_________day of_______________________, 20_____.

____
Participant's Signature

NORTHERN ILLINOIS ANNUITY FUND AND PLAN
EXPLANATION OF FUND VALUATION

Please be advised that your Individual Account with the Northern Illinois Annuity Fund is valued four times a year, and gains or losses are always based on your Previous Valuation Account Balance. The Valuation Dates for the plan are February 28, May 31, and August 31, and November 30 of each year. All factors (contributions, interest, changes in market value of investments and administration expenses) for determining the value of your Individual Account are calculated as of these two dates.

Since valuations are calculated as of each of these Valuation Dates only, the greater of 2% or $50 will be withheld from your total distribution, and once the returns for the previous quarter post, any residual amount held back will be issued. The distribution of an Individual Account between Valuation Dates will be based upon your Individual Account Balance as of the last Valuation Date and will not include any gain or loss made by the Fund since that Valuation Date.

Please return this form indicating your decision regarding the date of your distribution. If you have any questions, please contact the administrative office at (800) 732-1121.

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I HAVE READ THE INFORMATION ABOVE AND I HAVE MADE THE FOLLOWING DECISION:

(Check One)____________ Please distribute my Individual Account Balance as soon as it is eligible. I understand that it will not include any gains or losses made by the Fund since the last Valuation Date.

____________ Please defer my distribution until after the next Valuation Date has passed.

SIGNATURE____**DATE**_______________

Northern Illinois Annuity Fund

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SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

This notice contains important information you will need before you decide how to receive your benefits from the Northern Illinois Annuity Fund.

SUMMARY

A payment from the Plan that is eligible for "rollover" can be taken in two ways. You can have all or any portion of your payment either **1) PAID IN A "DIRECT ROLLOVER" or 2) PAID TO YOU.** A rollover is a payment of your Plan benefits to your individual retirement arrangement (IRA) or to another employer plan. This choice will affect the tax you owe.

If you choose a **DIRECT ROLLOVER:**

- Your payment will not be taxed in the current year and no income tax will be withheld.
- Your payment will be made directly to your IRA or, if you choose, to another employer plan that accepts your rollover.
- Your payment will be taxed later when you take it out of the IRA or the employer plan.

If you choose to have your Plan benefits **PAID TO YOU:**

- You will receive only 80% of the payment, because the Plan Administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.
- Your payment will be taxed in the current year unless you roll it over. You may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you also may have to pay an additional 10% tax.
- You can roll over the payment by paying it to your IRA or to another employment plan that accepts your rollover within 60 days of receiving the payment. The amount rolled over will not be taxed until you take it out of the IRA or employer plan.
- If you want to roll over 100% of the payment to an IRA or an employer plan, you must find other money to replace the 20% that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

MORE INFORMATION

I. PAYMENTS THAT CAN AND CANNOT BE ROLLED OVER

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to an IRA or to another employer plan that accepts rollovers. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution. The following types of payment cannot be rolled over:

Non-taxable Payments. In general, only the "taxable portion" of your payment is an eligible rollover distribution. If you have made "after-tax" employee contributions to the Plan, these contributions will be non-taxable when they are paid to you, and they cannot be rolled over. (After-tax employee contributions generally are contributions you made from your own pay that were already taxed.)

Payments Spread Over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or your life expectancy), or

- Your lifetime and your beneficiary's lifetime (or life expectancies), or
- A period of ten years or more.

Required Minimum Payments. Beginning in the year you reach 72, a certain portion of your payment cannot be rolled over because it is a "required minimum payment" that must be paid to you.

II. DIRECT ROLLOVER

You can choose a direct rollover of all or any portion of your payment that is an "eligible rollover distribution," as described above. In a direct rollover, the eligible rollover distribution is paid directly from the Plan to another IRA or another employer plan that accepts rollovers. If you choose a direct rollover, you are not taxed on a payment until you later take it out of the IRA or the employer plan.

Direct Rollover to an IRA. You can open an IRA to receive the direct rollover. (The term "IRA", as used in this notice, includes individual retirement accounts and individual retirement annuities.) If you choose to have your payment made directly to an IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a direct rollover to an IRA at that institution. If you are unsure how to invest your money, you can temporarily establish an IRA to receive the payment. However, in choosing an IRA, you may wish to consider whether the IRA you choose will allow you to move all or part of your payment to another IRA at a later date, without penalties or limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on IRAs (including limits on how often you can rollover between IRAs).

Direct Rollover to a Plan. If you are employed by a new employer that has a plan, and you want a direct rollover to that plan, ask the administrator of that plan whether it will accept your rollover. An employer plan is not legally required to accept a rollover. If your new employer's plan does not accept a rollover, you can choose a direct rollover to an IRA.

Direct Rollover of a Series of Payments. If you receive eligible rollover distributions that are paid in a series for less than ten years, your choice to make or not make a direct rollover for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

III. PAYMENT PAID TO YOU

If you have the payment made to you, it is subject to 20% income tax withholding. The payment is taxed in the year you receive it unless, within 60 days, you roll it over to an IRA or another plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding:

Mandatory Withholding. If any portion of the payment to you is an eligible rollover distribution, the Plan is required by law to withhold 20% of that amount. This amount is sent to the IRS as income tax withholding. For example, if your eligible rollover distribution is $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, you will report the full $10,000 as a payment from the Plan. You will report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year.

Sixty-Day Rollover Option. If you have an eligible rollover distribution paid to you, you can still decide to roll over all or part of it to an IRA or another employer plan that accepts rollovers. If you decide to roll over, you must make the rollover within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the IRA or the employer plan.

You can choose to rollover up to 100% of the eligible rollover distribution, including an amount equal to the 20% that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the IRA or the employer plan to replace the 20% that was withheld. On the other hand, if you roll over only the 80% that you received, you will be taxed on the 20% that was withheld.

Example: Your eligible rollover distribution is $10,000.00 and you choose to have it paid to you. You will receive $8,000.00 and $2,000.00 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000.00, you may rollover the entire $10,000 to an IRA or an employer plan. To do this, you roll over the $8,000.00 you received from the Plan and you will have to find $2,000.00 from other sources (your savings, a loan, etc.). In this case, the entire $10,000.00 is not taxed until you take it out of the IRA or employer plan. If you roll over the entire $10,000.00, when you file your income tax return, you may get a refund of the $2,000.00 withheld.

If, on the other hand, you roll over only $8,000.00, the $2,000.00 you did not rollover is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000.00 withheld. (However, any refund is likely to be larger if you rollover the entire $10,000.00.)

Additional 10% Tax If You Are Under Age 59½. If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax does not apply to your payment if it is (1) paid to you because you separate from service with your employer during or after the year you reach age 55, (2) paid because you retire due to disability, (3) paid to you as equal (or almost equal) payments over your life or life expectancy (or you and your beneficiary's lives or life expectancies), or (4) used to pay certain medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

Special Tax Treatment. If your eligible rollover distribution is not rolled over, it will be taxed in the year you receive it. However, if it qualifies as a "lump sum distribution", it may be eligible for special tax treatment. A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you because you have reach age 59½ or have separated from service with your employer (or, in the case of a self-employed individual, because you have reached age 59½ or have become disabled). For a payment to qualify as a lump sum distribution, you must have been a participant in the Plan for at least five years. The special tax treatment for lump sum distributions is described below.

Five-Year Averaging. If you receive a lump sum distribution after you are age 59½, you may be able to make a one-time election to figure the tax on the payment by using "five-year averaging." Five-year averaging often reduces the tax you owe because it treats the payment much as if it were paid over five years.

Ten-Year Averaging If You Were Born Before January 1, 1936. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "ten-year averaging" (using 1986 tax rates) instead of five-averaging (using current tax rates). Like the five-year averaging rules, ten-year averaging often reduces the tax you owe.

Capital Gain Treatment If You Were Born Before January 1, 1936. In addition, if you receive a lump sum distribution and you were born before January 1, 1936, you may elect to have the part of your payment that is attributable to your pre-1974 participation in the Plan (if any) taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you cangenerally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. If you have previously rolled over a payment from the Plan (or certain other similar plans of the employer), you cannot use this special tax treatment for later payments from the Plan. If you rollover your payment to an IRA, you will not be able to use this special tax treatment for later payments from the IRA. Also, if you roll over only a portion of your payment to an IRA, this special tax treatment is not available for the rest of the payment. Additional restrictions are described in IRS Form 4972, which has more information on lump sum distributions and how you elect this special tax treatment.

IV. SURVIVING SPOUSES, ALTERNATE PAYEES, AND OTHER BENEFICIARIES

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order", which is an order issued by a court, usually in connection with a divorce or legal separation. Some of the rules summarized above also apply to a deceased employee's beneficiary who is not a spouse. However, there are some exceptions for payments to surviving spouses, alternate payees, and other beneficiaries that should be mentioned.

If you are a surviving spouse, you may choose to have an eligible rollover distribution paid in a direct rollover to an IRA or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to an IRA but you cannot roll it over to an employer plan. If you are an alternate payee, you have the same choices as the employee. Thus, you can have the payment paid as a direct rollover or paid to you. If you have it paid to you, you can keep it or roll it over yourself to an IRA or to another employer plan that accepts rollovers.

If you are a beneficiary other than the surviving spouse, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is not subject to the additional 10% tax described in section III above, even if you are younger than age 59½.

If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had five years of participation in the Plan.

HOW TO OBTAIN ADDITIONAL INFORMATION

This notice summarizes only the federal (not state or local) tax rules that might apply to your payment. The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with a professional tax advisor before you take a payment of your benefits from the Plan. Also, you can find more specific information on the tax treatment of payments from qualified retirement plans in IRS Publication 575, Pension and Annuity Income, and IRA Publication 590, Individual Retirement Arrangements. These publications are available from your local IRA office or by calling 1-800-TAX-FORMS.

NORTHERN ILLINOIS ANNUITY FUND
ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the NORTHERN ILLINOIS ANNUITY FUND (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.

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 will a rollover affect my taxes?

You will be taxed on a payment of 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 additional10% 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 (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.

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.

If you do a direct rollover, the Plan will make the payment directly to your IRA or 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 amount of the payment, the portion not rolled over will be taxed and 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 rollover all or part of the amount eligible for rollover. Any payment from the Plan is eligible for a 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 72 (or after death)
- Corrective distributions of contributions that exceed tax law limitations
- Hardship withdrawals

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 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 due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitations
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you were on active duty, if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days

If I do rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?
If you do 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 of service that are made after age 55.

- The exception for qualified domestic relations orders (QRDOs) 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 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).

<u>SPECIAL RULES AND OPTIONS</u>

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 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 tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you roll 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 five 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 two-year period starting in 2011.

If you roll over the payment to a Roth RIA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings form 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 five years. In applying this five-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 the 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 in 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 an inherited IRA.
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> An IRA you treat as your own is treated like any other IRA of yours, so that payments are 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 72.
>
> 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 72.
>
> **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 non-resident 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 ten years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than $200, 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.

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

You may have special rollover rights if you have recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

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

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