NATIONAL EMPLOYERS RETIREMENT TRUST
Participant Distribution Request

Participant Name ______ **Employer Name** ______
Social Security No. ______ **Plan Name** ______
Employee Address ______ **Termination Date** ______
Employer's Signature ______

According to my rights under my employer's retirement plan, I hereby request the following action with respect to my vested interest in the Plan:

☐ Please retain my account balance in the Plan until I reach retirement. I understand I can change this election at any time.

☐ Please pay ______ ($ or %) of my vested interest directly to me after deducting the 20% mandatory federal tax withholding. I understand I may be subject to IRS penalties for early distribution and that the amount withheld may not cover the amount of taxes I will owe on this benefit payment.

☐ Please transfer ______ ($ or %) of my vested interest to:

- ☐ my current employer's plan in my name
- ☐ my Individual Retirement Account. I understand that I may not transfer after-tax employee contributions to my IRA and I will receive these funds in cash.

(Note: We will need a "direct transfer" authorization from your new employer/IRA custodian indicating the type of plan and that they will accept the funds.)

Employer/Fund Name ______

Address ______

Phone Number ______ **Contact Name** ______

Please send me the forms required to establish an IRA account with the National Employers Retirement Trust and transfer the funds to that account (minimum transfer of $5,000 required).

Participant's Authorization

I hereby consent to the distribution of my Plan benefits as indicated above. If I elected to receive my benefits in cash, I understand my full tax liability, including any early withdrawal penalties, may not be met by the 20% mandatory withholding. I acknowledge that I have received a summary of my distribution options and understand my choices.

I hereby certify that my marital status is: ☐ Single ☐ Married

______ ______
Date **Participant's Signature**

(continued on following page)

Spouse's Waiver of Joint and Survivor Annuity Benefits
(Required for distributions or transfers over $5,000)

As spouse of the above-referenced Participant, I hereby irrevocably consent to waive having my benefits paid from the Plan in the form of a joint and survivor annuity. This consent is granted with full understanding of the following:

1. Without this consent I may be entitled to certain rights as stated in the Plan document and discussed in the Summary Plan Description, and that without my consent, my spouse's waiver is not valid;

2. I understand that in consenting to this distribution, I will be waiving my rights to a survivor benefit that I would legally be entitled to at a later date;

3. My consent is irrevocable unless my spouse revokes the waiver.

Executed on this___________________day of ________________________, 20______.

Spouse's Signature ____

Spouse's Name (please print) ____

Notary Public/Plan Administrator Signature ____

Participant: Please sign this form where indicated and forward it, along with any other transfer forms you have from your new employer or IRA, to your employer for approval. We must have employer authorization to complete your distribution. Be sure to keep a copy of your signed forms for your records.

Employer: Please return all original forms to NERT at 4701 Sangamore Rd., Suite 205 South, Bethesda, MD 20816. Be sure to keep a copy for your records.

Taxes and Benefit Payments - A Summary

Since you're eligible to receive retirement plan benefits you must choose whether to have your account 1) directly rolled over into a traditional IRA (Roth IRAs, SIMPLE IRAs, Educations IRAs are *not* traditional IRAs; SEP IRAs *are* traditional IRAs) or another qualified plan; 2) retained in the plan; or 3) taken in cash as a taxable distribution. The following is a brief summary of your choices and some of the important issues involved.

OPTION 1 -- DIRECT ROLLOVER

Money You Receive: None directly. Your account is forwarded to your IRA or your new employer plan if such a plan accepts rollovers.

Taxes Withheld: None. By choosing Direct Rollover, you avoid tax withholding.

Additional Taxes: None. You pay no taxes on the rollover until you withdraw the money from your IRA or new plan.

OPTION 2 -- RETAIN FUNDS IN THE PLAN

Money You Receive: None directly. Your account is retained in the plan. However, you can change this election later and transfer the funds to another plan or take a cash distribution.

Taxes Withheld: None.

OPTION 3 -- TAKE YOUR FUNDS IN CASH

Money You Receive: 80% of the value of your account in the Plan, or less if you withhold extra money for taxes.

Taxes Withheld: 20% of the value of your account must be withheld and forwarded to the IRS to be credited toward the taxes you will owe for the current year. You will receive a Form 1099-R in January detailing the amount of your distribution and the amount withheld. Since your tax rate may be higher than 20%, you may owe additional federal income taxes on this distribution. State taxes may also be withheld from your distribution.

Additional Taxes: With certain limited exceptions, the IRS assesses an *additional* 10% penalty on your distribution. (Examples of these exceptions: separation from service on or after age 55; receiving equal or nearly equal payments over your life expectancy - or the life expectancy of you and your beneficiary; payments made directly to the federal government to satisfy a federal tax levy; payments made to an alternate payee under a qualified domestic relations order (QDRO); payments which do not exceed the amount of your deductible medical expenses - determined without regard to whether you itemize deductions for a given year; receiving benefits due to disability, death, attainment of age 59 ½.)

Indirect Rollover: You may roll over up to 100% of your account into an IRA or another plan within 60 days, but receive the cash up-front. The check would be made payable to you, giving you an interest- and penalty-free "loan" for 60 days. Remember that your cash payment from this plan will be only 80% of the value of your benefit because withholding is required for monies distributed directly to you. In order to avoid taxes and penalties on the distribution, the *entire amount* must be deposited into an IRA or employer-sponsored plan within 60 days. Please note that if you elect to take your funds in cash and then decide to rollover to an IRA, you will need to make up the amount that was withheld with funds from other sources. Otherwise, the amount that was withheld by your employer becomes a taxable distribution to you and subject to penalties.

Taxes and Benefit Payments - A Summary (continued)

ADDITIONAL INFORMATION

The following payments are not eligible for rollover and are not subject to the mandatory 20% withholding.

Annuity payments Benefits paid in roughly equal installments over your lifetime or a period of ten years or more.

Non-taxable payments Any part of your account that is not subject to income tax now; for example, after-tax contributions that you made under the plan (these were taxed as income when you made the contributions).

Required payments Minimum distributions that must be paid to you because you are over age 70 ½. If you are still employed, and are not a 5% or more owner*,* then this rule does *not* apply. If, however, you are age 70 ½ or older and are a 5% or greater owner, then minimum distributions must be paid to you regardless of whether you are retired or still employed*,* and that portion of your distribution which represents the minimum distribution will be excluded from the withholding rules on rollovers.

Loan defaults/offsets If you have an outstanding loan balance and you either default on the loan, or separate from employment and seek a distribution of your account balance, the loan will be considered to be "deemed distributed." This means you will have to include in income the amount of the loan balance and be subject to a 10% early distribution penalty (with the exceptions noted earlier). If the absence of a distribution, no withholding is done on a loan default/offset. If other amounts are being distributed in addition to the loan default/offset, the 20% withholding will be calculated on the full amount of the distribution including the loan default/offset amount.

Hardship Distributions Hardship Distributions may not be eligible. Check with the plan administrator

You may be able to use some of these special tax rules to reduce your taxes at distribution on payments that are not rolled over:

If born before 1936 If you were born before 1936, you may use Ten-Year Averaging (using 1986 tax rates) to calculate your tax, or you may be able to pay taxes on the part of your benefit that was earned before 1974 at a 20% capital gains tax rate.

Certain other special rules may apply to payments of Employer Stock or other securities, and to payments available to Surviving Spouses, Alternate Payees under Qualified Domestic Relations Orders, and other Beneficiaries.

30 DAY DECISION PERIOD

You have at least 30 days, from the date of receipt of this notice, to decide on your distribution. Provided you have received this notice, you may elect to request that your distribution be processed more rapidly than 30 days if 1) the plan document allows a faster period; and 2) it is administratively feasible.

This summary is not intended to be financial advice. Tax laws are complicated and ever-changing so you should consult with a tax adviser on your personal financial situation before making any decisions regarding your retirement plan benefits.

RECEIVED BY __________________________, __________________________on __________________, 20____.
Signature *Please print name here* *date*

THIS FORM MUST BE SIGNED, DATED, AND RETURNED WITH THE DISTRIBUTION REQUEST FORM PRIOR TO YOUR REQUEST BEING PROCESSED. PLEASE KEEP A COPY OF THIS FORM FOR YOUR RECORDS.

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Form **5305**
(Rev. January 1998)
Department of the Treasury
Internal Revenue Service

Individual Retirement Trust Account

(Under section 408(a) of the Internal Revenue Code)

DO NOT File With the Internal Revenue Service

Name of grantor	Date of birth of grantor	**Identifying number** (see instructions)
Address of grantor		Check if Amendment . ▶ ☐
Name of trustee	Address or principal place of business of trustee	

The grantor whose name appears above is establishing an individual retirement account under section 408(a) to provide for his or her retirement and for the support of his or her beneficiaries after death.

The trustee named above has given the grantor the disclosure statement required under Regulations section 1.408-6.

The grantor has assigned the trust ______________________ dollars ($ __________) in cash.

The grantor and the trustee make the following agreement:

Article I

The trustee may accept additional cash contributions on behalf of the grantor for a tax year of the grantor. The total cash contributions are limited to $2,000 for the tax year unless the contribution is a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or an employer contribution to a simplified employee pension plan as described in section 408(k).

Article II

The grantor's interest in the balance in the trust account is nonforfeitable.

Article III

1. No part of the trust funds may be invested in life insurance contracts, nor may the assets of the trust account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).

2. No part of the trust funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

Article IV

1. Notwithstanding any provision of this agreement to the contrary, the distribution of the grantor's interest in the trust account shall be made in accordance with the following requirements and shall otherwise comply with section 408(a)(6) and Proposed Regulations section 1.408-8, including the incidental death benefit provisions of Proposed Regulations section 1.401(a)(9)-2, the provisions of which are herein incorporated by reference.

2. Unless otherwise elected by the time distributions are required to begin to the grantor under paragraph 3, or to the surviving spouse under paragraph 4, other than in the case of a life annuity, life expectancies shall be recalculated annually. Such election shall be irrevocable as to the grantor and the surviving spouse and shall apply to all subsequent years. The life expectancy of a nonspouse beneficiary may not be recalculated.

3. The grantor's entire interest in the trust account must be, or begin to be, distributed by the grantor's required beginning date, April 1 following the calendar year end in which the grantor reaches age 70½. By that date, the grantor may elect, in a manner acceptable to the trustee, to have the balance in the trust account distributed in:

(a) A single sum payment.

(b) An annuity contract that provides equal or substantially equal monthly, quarterly, or annual payments over the life of the grantor.

(c) An annuity contract that provides equal or substantially equal monthly, quarterly, or annual payments over the joint and last survivor lives of the grantor and his or her designated beneficiary.

(d) Equal or substantially equal annual payments over a specified period that may not be longer than the grantor's life expectancy.

(e) Equal or substantially equal annual payments over a specified period that may not be longer than the joint life and last survivor expectancy of the grantor and his or her designated beneficiary.

4. If the grantor dies before his or her entire interest is distributed to him or her, the entire remaining interest will be distributed as follows:

(a) If the grantor dies on or after distribution of his or her interest has begun, distribution must continue to be made in accordance with paragraph 3.

(b) If the grantor dies before distribution of his or her interest has begun, the entire remaining interest will, at the election of the grantor or, if the grantor has not so elected, at the election of the beneficiary or beneficiaries, either

(i) Be distributed by the December 31 of the year containing the fifth anniversary of the grantor's death, or

(ii) Be distributed in equal or substantially equal payments over the life or life expectancy of the designated beneficiary or beneficiaries starting by December 31 of the year following the year of the grantor's death. If, however, the beneficiary is the grantor's surviving spouse, then this distribution is not required to begin before December 31 of the year in which the grantor would have reached age 70½.

(c) Except where distribution in the form of an annuity meeting the requirements of section 408(b)(3) and its related regulations has irrevocably commenced, distributions are treated as having begun on the grantor's required beginning date, even though payments may actually have been made before that date.

(d) If the grantor dies before his or her entire interest has been distributed and if the beneficiary is other than the surviving spouse, no additional cash contributions or rollover contributions may be accepted in the account.

5. In the case of a distribution over life expectancy in equal or substantially equal annual payments, to determine the minimum annual payment for each year, divide the grantor's entire interest in the trust as of the close of business on December 31 of the preceding year by the life expectancy of the grantor (or the joint life and last survivor expectancy of the grantor and the grantor's designated beneficiary, or the life expectancy of the designated beneficiary, whichever applies). In the case of distributions under paragraph 3, determine the initial life expectancy (or joint life and last survivor expectancy) using the attained ages of the grantor and designated beneficiary as of their birthdays in the year the grantor reaches age 70½. In the case of a distribution in accordance with paragraph 4(b)(ii), determine life expectancy using the attained age of the designated beneficiary as of the beneficiary's birthday in the year distributions are required to commence.

6. The owner of two or more individual retirement accounts may use the "alternative method" described in Notice 88-38, 1988-1 C.B. 524, to satisfy the minimum distribution requirements described above. This method permits an individual to satisfy these requirements by taking from one individual retirement account the amount required to satisfy the requirement for another.

Article V

1. The grantor agrees to provide the trustee with information necessary for the trustee to prepare any reports required under section 408(i) and Regulations section 1.408-5 and 1.408-6.

2. The trustee agrees to submit reports to the Internal Revenue Service and the grantor as prescribed by the Internal Revenue Service.

Article VI

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through III and this sentence will be controlling. Any additional articles that are not consistent with section 408(a) and related regulations will be invalid.

Article VII

This agreement will be amended from time to time to comply with the provisions of the Code and related regulations. Other amendments may be made with the consent of the persons whose signatures appear below.

Note: *The following space (Article VIII) may be used for any other provisions you want to add. If you do not want to add any other provisions, draw a line through this space. If you do add provisions, they must comply with applicable requirements of state law and the Internal Revenue Code.*

Article VIII

Grantor's signature .... Date ....

Trustee's signature .... Date ....

Witness' signature ....
(Use only if signature of the grantor or the trustee is required to be witnessed.)

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Note: *Users of the October 1992 revision of Form 5305 are not required to use the January 1998 revision of the form.*

Form 5305 is a model trust account agreement that meets the requirements of section 408(a) and has been automatically approved by the IRS. An individual retirement account (IRA) is established after the form is fully executed by both the individual (grantor) and the trustee and must be completed no later than the due date of the individual's income tax return for the tax year (without regard to extensions). This account must be created in the United States for the exclusive benefit of the grantor or his or her beneficiaries.

Individuals may rely on regulations for the Tax Reform Act of 1986 to the extent specified in those regulations.

Do not file Form 5305 with the IRS. Instead, keep it for your records.

For more information on IRAs, including the required disclosures the trustee must give the grantor, see **Pub. 590,** Individual Retirement Arrangements (IRAs).

Definitions

Trustee. The trustee must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as trustee.

Grantor. The grantor is the person who establishes the trust account.

Identifying Number

The grantor's social security number will serve as the identifying number of his or her IRA. An employer identification number (EIN) is required only for an IRA for which a return is filed to report unrelated business taxable income. An EIN is required for a common fund created for IRAs.

IRA for Nonworking Spouse

Form 5305 may be used to establish the IRA trust for a nonworking spouse.

Contributions to an IRA trust account for a nonworking spouse must be made to a separate IRA trust account established by the nonworking spouse.

Specific Instructions

Article IV. Distributions made under this article may be made in a single sum, periodic payment, or a combination of both. The distribution option should be reviewed in the year the grantor reaches age 70½ to ensure that the requirements of section 408(a)(6) have been met.

Article VIII. Article VIII and any that follow it may incorporate additional provisions that are agreed to by the grantor and trustee to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the trustee, trustee's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the grantor, etc. Use additional pages if necessary and attach them to this form.

Note: *Form 5305 may be reproduced and reduced in size.*

IRA APPLICATION
(Individual Retirement Account)

National Employers Retirement Trust

National Employers Retirement Trust
4701 Sangamore Rd., Suite 205 South
Bethesda, Maryland 20816

(301) 320-9300
fax: (301) 320-6854

National Employers Retirement Trust

4701 Sangamore Road, Suite 205 South Bethesda, MD 20816

APPLICATION FOR PARTICIPATION

Applicant's Exact Name

Applicant's Address

The Applicant has received and herein subscribes to participate in the National Employers Retirement Trust. For the purpose of participating and administering monies held under the Group Trust, the following items of information are provided:

1. Name of Plan
2. Social Security Number
3. Advisory Representative
4. Advisory Fees applicable to Mutual Fund assets

The Applicant herein authorizes participation in the following subaccounts:

- [ ] Guaranteed Interest Account
- [ ] Government Securities Fund
- [ ] Corporate Bond Fund
- [ ] Balanced Fund
- [ ] S&P 500 Index Fund
- [ ] Value Fund
- [ ] Quality Growth Fund
- [ ] Aggressive Growth Fund
- [ ] Socially Conscious Fund
- [ ] International Fund

Type of Plan

- [ ] IRA
- [ ] Roth IRA
- [ ] Education IRA
- [ ] Simple

Investment Direction

- [ ] Employee Directed

Investment Policy Statement

The Applicant has received and hereby adopts the Investment Policy Statement of the National Employers Retirement Trust.

- [ ] Adopted

GUARANTEED INTEREST ACCOUNT DISCLOSURE

The guaranteed investment option, known as the Fixed Income Fund, is funded by Provident Mutual Life Insurance Company (PMLIC) through a group annuity contract known as the Fixed Income Fund. The Fixed Income Fund is not a trust fund and is held as part of the general assets of PMLIC, which has the sole right to manage such funds.

Contract charges equal to 1.15% of trust assets held by PMLIC under the group annuity contract are assessed and deducted daily from trust assets. These charges cover administrative and other related services performed by PMLIC and Thomas F. Barrett, Inc.

The contract holder for trust assets is SunTrust Bank as Trustee for the National Employers Retirement Trust (NERT), Thomas F. Barrett, Inc., Sponsor, under contract #GR-4208-101-001. A copy of the contract is available on request from NERT.

The interest credited rate is declared by PMLIC prior to each window period.

Participants of employee directed plans may transfer from the Fixed Income Fund to other investment options up to 12 (twelve) times per participant per year at book value. Employer directed plans may transfer at anytime at market value.

In the event of complete contract discontinuance, assets may be paid out under one of the following options at the Plan's election:

Option A	Seven (7) Installment pay out - standard interest and benefit distributions permitted.
Option B	Five (5) Installment pay out - interest reduced 3/4 of 1% - no distributions
Option C	Single sum distribution - subject to market value adjustment

Any person who knowingly and with intent to defraud any person files an application for or statement of claim containing any materially false information or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent act, which is a crime. The undersigned hereby certifies that he/she has reviewed the contract charges and provisions associated with the issuance of the PMLIC group annuity contract.

TRUST MANAGEMENT & ACCOUNTING DISCLOSURE

The National Employers Retirement Trust, SunTrust Bank – Trustee, provides management of all group trust services, including, but not limited to investing, distributing, allocating, and confirming of plan assets and activities. An expense factor of .00274% is applied to the average daily balance of plan assets, except the Guaranteed Account, of trust recordkeeping. All pricing is posted on a daily basis and is new of all management expenses. Transactions are posted on an as-confirmed basis daily.

The Applicant represents that the Plan and any trust which is a part of the Plan meets the requirements of the Internal Revenue Code, as amended.

Dated at ____________ this ____ day of ____________ , 20 ____.

____
APPLICANT'S EXACT NAME

____
Witness