{stdlongdate} Member ID: {stdMbrPERSLinkID}

{stdMbrFullName}

{stdMbrAdrCorStreet1}

{x stdMbrAdrCorStreet2}

{stdMbrAdrCorCity} {stdMbrAdrCorState} {stdMbrAdrCorZip}

**RE: TAX EXCLUSION RATIO**

Dear {stdMbrSalutation}:

Pursuant to the Internal Revenue Code, when you began receiving benefits, you received what is called an "Exclusion Ratio". This exclusion ratio allowed you to receive each month a portion of the non-taxable money in your retirement account balance. When you have received the total of the non-taxable portion, your payment becomes fully taxable.

When you began receiving benefits, there was {NonTaxableAmount} in non-taxable money in your retirement account. You have now received all of this non-taxable money. Therefore, effective {nextbenefitpaymentdate}, your benefit will be taxable in its entirety. {if istrTaxChanges = “Y” }Also due to this change, your federal tax withholding will change to {FedTaxnew} and your state tax withholding will change to {NDStateTaxnew}.{endblock}

If you have any questions, please call NDPERS at {stdNDPERSPhoneNumber} or {stdNDPERSTollFreePhoneNumber}.

Sincerely,

NDPERS Benefits Division