{stdlongdate} Member ID: {stdMbrPERSLinkID}

{stdMbrFullName}

{stdMbrAdrCorStreet1}

{x stdMbrAdrCorStreet2}

{stdMbrAdrCorCity} {stdMbrAdrCorState} {stdMbrAdrCorZip}

**RE: DISABILITY BENEFIT**

Dear {stdMbrSalutation}:

According to IRS Regulation Section 1.72-15(c)(2), while you were under age {NormalRetirementAge} your disability benefit was paid from employer contributions and your member account balance remained intact and continued to accrue interest. Your disability benefit was all taxable in its entirety and not considered a retirement benefit for tax purposes.

Now that you will be turning age {NormalRetirementAge}, your disability benefit is considered a normal retirement benefit. Because your benefit will be consider a normal retirement benefit, your member account balance will stop accruing interest and your monthly benefits reduce this balance. However, your benefits are still payable to you for your lifetime. You or your beneficiaries are guaranteed to receive no less than your member account balance. This amount is referred to as your minimum guarantee.

{x if MonthlyNonTaxableAmount != 0}

In addition to the above, a portion of your normal retirement benefit is considered non-taxable income. Beginning {FirstDayFollowingMonthMemberAttainedNormalEligibility}, the monthly non-taxable amount of your benefit is ${MonthlyNonTaxableAmount}.

{x endIf}

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

Sincerely,

NDPERS Benefits Division