4. Payment Rights Notice

Federal law requires that you receive information about any rights associated with your payment. Review your rights, then acknowledge that you have reviewed them.

Print a copy of your rights for your records.

Instructions

You have 30 days, to the extent applicable, to consider whether to:

- Consent to this payment.
- Consent to a form of payment other than the normal form of payment.
- Elect a direct rollover and the tax consequences of not electing one.

If you are separated from service and your vested balance, not including your rollover account, if any, at that time or any subsequent time does not exceed $200, you have 30 days to consider whether to elect a direct rollover and the tax consequences of not electing one. Only the **Withholding Notice** and the **Special Tax Notice Regarding Plan Payments** may be applicable to you.

By selecting **Submit** on the Review Your Request page at the end of your withdrawal request, you are waiving your right to the applicable 30-day notice periods. If you choose not to waive this right, you will need to choose **Cancel** on the Review Your Request page. This will cancel your request. However, if you wish to receive a payment at any subsequent time, you will be asked again whether you wish to waive your right to the applicable 30-day notice periods. Please note that your decision to waive your right to the applicable 30-day notice periods does not obligate the Plan to make the payment within 30 days.

Also, by selecting **Submit** on the Review Your Request page, you are acknowledging that you have received, reviewed, and comprehend the information contained in the following sections of this notice:

Notice of Rights

Expand All | Collapse All

Notice Regarding Commencement of Benefits

You may choose to delay the commencement of your benefits until normal retirement age. By choosing to take a payment now instead of deferring commencement or rolling any eligible money into another eligible retirement plan, you'll be giving up your right to continue to invest and accumulate earnings on those amounts on a tax-deferred basis or tax-free basis for Roth contributions. The taxable amount of your payment will be taxed in the current year. If you receive the payment before you're age 59½, you may also have to pay an additional 10% tax on the taxable amount. You may also lose the ability to receive tax-free earnings on amounts attributable to your Roth contributions if you take your payment before you're age 59½ and before your plan Roth account is five years old.

See the Special Tax Notice below for more detailed tax information on rollover-el

Some of the available investment options in the plan may not be available with s outside the plan. Fees and expenses (including administrative or investment-relat the plan also may be different from the fees and expenses that apply to your plar delay commencement, you may continue to invest in any of the available investment options under the plan. For more information about any fees and expenses that apply to your account and the investment options available to you under the plan, including their general availability outside the plan, refer to this site or call the **ThriftLine Service Center**.

Explanation of the Optional Forms of Payment

Here are the payment options and a description of each of those options under the Thrift Savings Plan. Whether you are eligible for a particular payment option may depend on your employment status, your financial need, and/or your account balance.

Payment Options After Leaving Federal Service

If your vested account balance, including your rollover account, if any, is greater than $200 after you have left federal service, you may have one or more of the following payment options available to you. The normal form of payment is an annuity.

- Annuity Purchase
  You can request to purchase an annuity with either a portion (flat dollar amount) or a percentage of your vested account balance, if you are 85 or younger (annuities are not available for those 86 or older). These funds are transferred to an annuity provider, MetLife. An annuity pays a benefit to you (or to your joint annuitant) every month for life.
- Partial Distribution
  You may request to have a portion (flat dollar amount or a percentage) of your vested account balance paid to you, in a single payment, at any time.
- Lump-Sum Distribution
  You may request to have your entire vested account balance paid to you in a single payment.

  For example, if you had a vested account balance of $100,000, you could take the entire vested balance in a single payment.
- Life Expectancy Installments
  You may request to have your vested account balance distributed to you in the form of a Life Expectancy installment, which is considered periodic payments. With life expectancy installments, you elect the frequency (monthly, quarterly or annual) over which you would like to receive your payments. Each installment amount varies and is calculated by taking your vested account balance, divided by the applicable life expectancy factor and then that amount is further divided by the number of payments during the year, based on the frequency elected. Your installment amount will be recalculated every year, based on your December 31 balance, and the updated life expectancy factor.

  For example, if you had a vested account balance of $25,000 and you elected to receive monthly installments and your life expectancy was 17 years, your first monthly installment would be calculated by dividing the $25,000 by 17, which is $1,470.58, and th
  by 12 (number of payments expected that year). The first payment would be

  Participants who separate from service before the age of 55 and choose to re
  payments maybe subject to a 10% early withdrawal penalty Installment pay
  life expectancy are an exception to the 10% early withdrawal penalty rule. Bu

be applied retroactively if you: stop your life-expectancy payments, switch them to a fixed installment, or withdraw money in addition to your life-expectancy based payments within five years of beginning your payments or before you reach age 59-1/2. Doing any of those things in that period of time will make you liable for the penalty tax on the payments you previously received.

- Fixed Installments

  You may request to have your vested account balance distributed to you in the form of fixed installments, which are considered nonperiodic payments. With fixed installments, you elect the dollar amount of the installments and frequency (monthly, quarterly, semiannual, or annual) over which you would like to receive your payments. Each installment amount is the same, and you continue to receive installments until your account balance runs out. This is true even if you choose to have the payments come from your traditional balance first or from your Roth balance first. When you run out of money in your chosen source (traditional or roth), payments will continue from the source you didn't choose. The balance remains invested in the funds you have selected, and you may continue to change your investment mix.

  For example, if you had a vested account balance of $100,000 and you elected to receive monthly installments of $500 each, you would receive $500 a month until your vested balance is depleted.

- Required Minimum Distributions

  Once you reach your required begin date, your vested account balance will be automatically distributed to you in required minimum distributions if you don't select a payment option.

If You Turned Age 70½ Prior to 01/01/2020	**If You Turn(ed) Age 70½ After 12/31/2019**
Your first distribution calendar year is the later of:	Your first distribution calender year is the later of:
• The year you turn age 70½	• The year you turn age 72
• The year you seperate from service	• The year you seperate from service

Even if you elect one of the payment options above, your payments made throughout the year must meet the required minimum distribution amount that will be calculated each year. If the payments made throughout the year are not sufficient to cover your required minimum distribution that is due for the year, an additional amount will be distributed.

A required minimum distribution is an annual payment calculated based on the prior year's December 31 adjusted closing balance, divided by the applicable life expectancy factor.

For example, if you had a prior year's December 31 closing account balance of $100,000 and your whole age attained in the year in which you turn 70-1/2 is 71, your first required minimum distribution would be calculated by dividing $100,000 by the factor associate which is 26.5. The first required minimum distribution payment would equal $

Withholding Notice

(Applies to the Portion of a Payment That Is Not Eligible for Rollover)

The taxable portion of your payment that is not eligible for rollover is subject to federal income tax withholding unless you elect not to have withholding apply. Withholding on the taxable portion of a payment that is eligible for rollover is described in the **Special Tax Notice Regarding Plan Payments**.

Exception for tax-exempt pay:

Traditional contributions you made from tax-exempt pay are not taxed when withdrawn. But the earnings on those contributions are. Note that any withdrawal you make will have the same percentage of tax-exempt pay that's included in your account.

You may elect not to have federal withholding apply to the taxable portion of your payment that is not eligible for rollover, or change your withholding, by selecting **Change Your Income Tax Withholding** or calling the **ThriftLine Service Center**. Your election will remain in effect for any subsequent payments that are part of the same payment stream until you revoke it. You may make and revoke your election not to have withholding apply as often as you wish. Any election or revocation will be effective as soon as administratively possible after your election or revocation is received.

If the payment is a periodic payment (for example, life-expectancy installment, fixed installment over 10 years, etc.), and initiated prior to 2023, withholding will be taken according to the wage withholding tables as if you were married, claiming 3 allowances, unless you elect otherwise. If initiated after 2022, wage withholding tables will be used as if you were single with no exemptions, unless you choose otherwise. If the payment is a nonperiodic payment (for example, hardship withdrawal, fixed installment, etc.), withholding will be taken at a flat 10% rate.

If you elect not to have withholding apply, or if you do not have enough federal income tax withheld, you may be responsible for the payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated tax payments are not sufficient.

Special Tax Notice Regarding Plan Payments Not From a Designated Roth Account

(Applies to the Portion of a Payment That is Eligible for Rollover)

I. Your Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from the the U.S. Government (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover. This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid fro
Rules that apply to most payments from a plan are described in the "General Info
Rollovers" section. Special rules that only apply in certain circumstances are desc
"Special Rules and Options" section.

II. General Information About Rollovers

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are 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 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (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 do either a direct rollover or a 60-day rollover.

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

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½(unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to mi before your employment ends)
- Payments of certain automatic enrollment contributions requested to be withc days of your first contribution.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

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

- There is no exception for payments after leaving federal service that are made after age 55.
- The exception for retirement benefits court order (RBCO) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first time home purchase, and (3) payments for health insurance permiums after you have received unemployment compensation for 12 consective 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).

III. Special Rules And Options

Special note regarding tax-exempt money

We can only transfer tax-exempt pay to an IRA or eligible employer plan if the plan certifies that it accepts it. Not all of them do, so check with your IRA trustee or plan administrator.

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-A, *Contributions to Individual Retirement Arrangements (IRAs).*

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional inc distributions, unless an exception applies) unless you do a 60-day rollover in the c offset to an IRA or employer plan.

If you roll over your payment to a Roth IRA

If you roll over a 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 the 5-years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

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 generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

- ### If you are a surviving spouse.
  If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA. An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949). If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½ .
- ### If you are a surviving beneficiary other than a spouse.
  If you receive a payment from the Plan because of the participant's death and designated beneficiary other than a surviving spouse, the only rollover option y direct rollover to an inherited IRA. Payments from the inherited IRA will not be

10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a retirement benefits court order.

If you are the spouse or former spouse of the participant who receives a payment from the Plan under a retirement benefits court order (RBCO), you generally have the same options and the same tax treatment that 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). However, payments under the RBCO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to do 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 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover. You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*.

Special Tax Notice Regarding Plan Payments From a Designated Roth Account.

(Applies to the Portion of a Payment That is Eligible for Rollover)

I. Your Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from the the U.S. Government (the "Plan") is eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover. This notice describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrat
will tell you the amount that is being paid from each account. Rules that apply to
from a designated Roth account are described in the "General Information About
section. Special rules that only apply in certain circumstances are described in the
and Options" section.

No difference for tax-exempt pay: In a Roth balance, tax-exempt pay is treated the same as the rest of the balance. In fact, once it's deposited into a Roth balance, tax-exempt money becomes indistinguishable from the other contributions in the balance. Withdrawals of contributions are not taxed, and the earnings are only taxed if the distribution is not qualified.

II. General Information About Rollovers

How can a rollover affect my taxes?

After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the portion of the payment that is earnings. If you are under age 59½, a 10% additional income tax on early distributions (generally, distributions made before age 59½) will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Where may i roll over the payment?

You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457 plan) that will accept the rollover. The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, Roth IRAs are not subject to spousal consent rules and Roth IRAs may not provide loans). Further, t over will become subject to the tax rules that apply to the Roth IRA or the design in the employer plan. In general, these tax rules are similar to those described els notice, but differences include:

- If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
- If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
- Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

How do I do a rollover?

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

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

If you do not do a direct rollover, you may still do a rollover by making a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancies of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to mi before your employment ends)
- Payments of certain automatic enrollment contributions requested to be withc days of your first contribution

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings not rolled over.

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

- Payments made after you leave federal service if you will be at least age 55 in the year of the separation
- Payments that start after you leave federal service if paid at least annually in equal or close to equal amounts over your life or life expectancy
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitation
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a retirement benefits court order (RBCO)
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution

If I do a rollover to a Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early distributions from a plan. However, there are a few differences for payments from a Roth IRA, including:

- There is no special exception for payments after leaving federal service.
- The exception for retirement benefits court order (RBCO) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to a Roth IRA of a spouse or former spouse)
- The exception for payments made at least annually in equal or close to equal c specified period applies without regard to whether you have had a separation

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;

- Payments up to $10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums 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 address any State or local income tax rules (including withholding rules).

III. Special Rules And Options

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, 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-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset and if the distribution is nomqualified distribution, the earnings in the loan offset will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the earnings in the loan offset to a Roth IRA or designated Roth account in an employer plan.

If you 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 generally will be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you receive a nonqualified distribution and you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

- ### If you are a surviving spouse.

  If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA. A Roth IRA you treat as your own is treat
  Roth IRA of yours, so that you will not have to receive any required minimum d
  your lifetime and earnings paid to you in a nonqualified distribution before you
  be subject to the 10% additional income tax on early distributions (unless an e
  If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA
  subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject

to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½ .

- If you are a surviving beneficiary other than a spouse.
  If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under Retirement benefits court order (RBCO). If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a RBCO, you generally have the same options the participant would have (for example, you may roll over the payment as described in this notice).

If you are a nonresident alien

If you are a nonresident alien, you do not do a direct rollover to a U.S. IRA or U.S. employer plan, and the payment is not a qualified distribution, the Plan is generally required to withhold 30% (instead of withholding 20%) of the earnings 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.

For More Information

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs); IRS Publication 590-B, Distributions from 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 (800-829-3676).

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Acknowledgement

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