

# IRON WORKERS DISTRICT COUNCIL OF SOUTHERN OHIO & VICINITY ANNUITY TRUST

1470 Worldwide Place    Vandalia, Ohio 45377  
Phone (937) 454-1744    Fax (937) 454-5457  
Address Mail:  
PO Box 398    Dayton, Ohio 45401-0398  
Toll Free: (800) 331-4277

Dear Annuity Participant:

**Please read this page carefully.**

**Annuity Distribution Packet:** This distribution packet includes all of the appropriate forms that you need to complete a requested distribution plus additional important information you must read.

**Signature:** You must sign Page 2, Section 5 of the distribution form regardless of marital status

**Spousal Consent:** Only if you are married, Section 1 of the Spousal Consent Form must be filled out by the iron worker. Also, all notary signatures must include an expiration date and stamp.

**Take Your Time:** Fill out all of the appropriate forms included in their entirety. If any form is not properly completed, processing time will be delayed.

**Rollover:** If you are rolling the Annuity money into another qualified plan, the trustee/custodian must receive a copy of the Annuity Plan Introduction and Plan Type information that is included in this packet.

**Active Loan:** If you currently have an active Annuity loan, please contact me prior to completing your request for an Annuity distribution. If you have a defaulted loan, please read the included letter regarding defaulted loans.

**Processing Time:** Processing time may vary upon the volume of applications received. Normal processing time is approximately two to three weeks from the time the application is received until you will receive the requested money.

If you have any questions, please contact me at 1-800-331-4277 extension \*4782 or via email at [ckschindel@ironworkersbenefits.com](mailto:ckschindel@ironworkersbenefits.com)

Thank you,



Cindy Schindel  
Annuity Coordinator

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## **Annuity Plan Introduction**

The Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust (the “Annuity Plan”) is designed to supplement your other retirement benefits. When you become a Participant in the Annuity Plan, an Individual Account is established in your name. Employer Contributions are then made on your behalf to your Individual Account. You are always 100% vested in, or entitled to, the money in your Individual Account. Your Individual Account balance includes Employer Contributions made on your behalf, adjusted by expenses of operating the Annuity Plan, net earnings, and losses, if applicable. Since your investment needs are unique, you choose how to invest the Employer Contributions made to the Annuity Plan on your behalf. With some investment knowledge and the flexibility to choose among the Annuity Plan investment options you can help build the retirement nest egg you will need. It is the intention of the Trustees that this Plan qualify as a participant-directed Plan under ERISA §404(c).

Please see the Annuity Trust Summary Plan Description (SPD) for more details about the Annuity Plan. The SPD is available at [ironworkersbenefits.com](http://ironworkersbenefits.com). Contact the Annuity Trust Office at 937-454-1744 or 800-331-4277 if you have any questions about your benefits.

## **Plan Type**

The Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust is a money purchase plan under Internal Revenue Code Section 401(a).



1-800-743-5274

Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust  
Contract Number: **MR 60359-001**

**DISTRIBUTION FORM**

- This form authorizes a distribution from the Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust.
- Participants must complete Sections 1 through 5 and return this form to the Iron Workers District Council of Southern Ohio & Vicinity.
- If you are choosing a direct rollover to another qualified plan or IRA you must also complete Section #4.
- If you are married your spouse must complete and enclose the Spousal Consent Form.
- This form is not valid without your signature under Section #5 and the Fund Office's countersignature.

**SECTION 1. PARTICIPANT INFORMATION**

Check here if your address has changed

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
SOCIAL SECURITY NUMBER

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
DATE OF BIRTH

\_\_\_\_\_<sup>M</sup>\_\_\_\_\_<sup>S</sup>  
MARITAL STATUS

\_\_\_\_\_  
LOCAL NUMBER

\_\_\_\_\_  
LAST NAME

\_\_\_\_\_  
FIRST NAME

\_\_\_\_\_  
M.I.

\_\_\_\_\_  
MAILING ADDRESS

\_\_\_\_\_  
APT #

\_\_\_\_\_  
CITY

\_\_\_\_\_  
STATE

\_\_\_\_\_  
ZIP

(\_\_\_\_\_)\_\_\_\_\_  
HOME TELEPHONE NUMBER

(\_\_\_\_\_)\_\_\_\_\_  
CELLULAR TELEPHONE NUMBER

**SECTION 2. REASON FOR DISTRIBUTION (complete only one section below)**

- Termination: I have left the industry or area and have had no employer contributions made to my individual account in the last 12 months. Last date Annuity contributions were made on my behalf: \_\_\_\_\_ Local Number: \_\_\_\_\_
- Retirement: I am eligible for a pension from the Iron Workers District Council of Southern Ohio and Vicinity Pension Trust.
- Disability: I am totally and permanently disabled.

**SECTION 3. FORM OF PAYMENT**

**Option 1:**  Lump Sum Distribution (Choose only one Lump Sum option below):

- Pay my account balance directly to me:  Total Balance  Partial Amount \$ \_\_\_\_\_
- Rollover \$ \_\_\_\_\_ or \_\_\_\_\_% of my account balance and pay the rest to me.  
(Complete Section #4 on page 2).
- Rollover 100% of my account balance (Complete Section #4 on page 2).

**Option 2:**  Distribution by Installments (Choose only one Installment option below):

- Installments paid in the amount of \$ \_\_\_\_\_ per month
- Installments paid monthly over \_\_\_\_\_ months (select in 12-month increments, up to 240 months).

**Option 3:**  A combination of a lump sum distribution and monthly installments (Choose only one lump sum/installment option below):

- A lump sum in the amount of \$ \_\_\_\_\_ with installments paid over \_\_\_\_\_ months (select in 12-month increments, up to 240 months).
- A lump sum in the amount of \$ \_\_\_\_\_ with installments paid in the amount of \$ \_\_\_\_\_ per month.

**Option 4:**  Annuity Payments (Please contact the Fund Office for additional information regarding annuities)

**SECTION 4. RECEIVING IRA OR QUALIFIED PLAN**

My direct rollover should be paid to the following IRA or qualified plan:

\_\_\_\_\_  
Name of Trustee or Custodian    Plan Name

\_\_\_\_\_  
Mailing Address    City    State                      Zip Code

\_\_\_\_\_  
Account Number

Note: If choosing the rollover option, provide the trustee/custodian of that plan with a copy of the **Annuity Plan Introduction & Plan Type** page included in this packet.

Please choose one of the following:

- Mail the distribution check to me, and I will forward the payment to the trustee or custodian listed above
- Mail the distribution check directly to the trustee or custodian listed above

**SECTION 5. SIGNATURES**

I have read the Annuity Notice and waive payment of benefits in the form of an annuity. I understand (1) that I have the right to receive benefits in the form of a joint and survivor annuity if I am married or a straight life annuity if I am single; (2) that I have the right to waive such annuity payments, provided that if I am married, my spouse must consent in writing to the waiver; (3) the terms of the annuity and the financial effect of a waiver; and (4) that I may revoke any waiver in effect at any time before benefit payments begin. I also waive the 30-day election period described in the Annuity Notice. **I certify that if I am married, my spouse has completed the Spousal Consent Form.**

\_\_\_\_\_  
PARTICIPANT SIGNATURE    DATE

\_\_\_\_\_  
PARTICIPANT NAME (PRINT)

**SECTION 6. ADMINISTRATOR AUTHORIZATION**

\_\_\_\_\_  
AUTHORIZED FUND OFFICE SIGNATURE    DATE

Please return the completed form to:                      **Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust  
PO Box 398  
Dayton OH 45401-0398**

Or, for overnight mail only:                      **Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust  
1470 Worldwide Place  
Vandalia, OH 45377-1156**

Contract Number: **MR 60359-001**



1-800-743-5274

Iron Workers District Council of Southern Ohio & Vicinity Annuity Trust  
Contract Number: **MR 60359-001**

**SPOUSAL CONSENT FORM**

- Married participants must receive spousal consent should they choose a distribution other than the standard joint and survivor annuity.

**SECTION 1. PARTICIPANT INFORMATION (Iron Worker's information)**

Check here if your address has changed

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
SOCIAL SECURITY NUMBER

\_\_\_\_\_-\_\_\_\_\_-\_\_\_\_\_  
DATE OF BIRTH

\_\_\_\_M\_\_\_\_S  
MARITAL STATUS

\_\_\_\_\_  
LOCAL NUMBER

\_\_\_\_\_  
LAST NAME

\_\_\_\_\_  
FIRST NAME

\_\_\_\_\_  
M.I.

\_\_\_\_\_  
MAILING ADDRESS

\_\_\_\_\_  
APT #

\_\_\_\_\_  
CITY

\_\_\_\_\_  
STATE

\_\_\_\_\_  
ZIP

(\_\_\_\_)\_\_\_\_\_  
HOME TELEPHONE NUMBER

(\_\_\_\_)\_\_\_\_\_  
CELLULAR TELEPHONE NUMBER

**SECTION 2. SPOUSAL CONSENT**

I hereby consent to the distribution indicated on the Distribution Form. I understand that I am giving up the right to receive annuity benefit payments that would otherwise be payable to me upon my spouse's death. I understand that I may not revoke this consent unless my spouse changes the choice of the form of distribution to which I have consented here.

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Notary expiration date

\*Notary expiration date and stamp required for all notary signatures

**NOTARY STAMP HERE**

**SECTION 3. ADMINISTRATOR AUTHORIZATION**

\_\_\_\_\_  
Authorized Fund Office Signature

\_\_\_\_\_  
Date

# DIRECT DEPOSIT AGREEMENT

Account Number 60359-1

Sponsor Name Iron Workers District Council

Plan Name Iron Workers District Council of Southern Ohio Annuity Trust

Select Which Item Applies:  Initial Election  Change of Bank or Account

## PARTICIPANT INFORMATION

Participant's Name \_\_\_\_\_  
first middle last

Participant's Address \_\_\_\_\_  
street

city state zip

Telephone # or

Social Security No. \_\_\_\_\_ E-mail Address \_\_\_\_\_

## AUTHORIZATION

I authorize MassMutual to make all retirement payments due to me under the above-numbered account by Electronic Direct Deposit to the bank account designated below. I also authorize MassMutual to initiate debits to that bank account for overpayment made to me and the bank named below to debit my account and refund any such overpayment to them. Payments made under this agreement fully satisfy any obligation to make payments to me.

I also agree that, to cancel this agreement, I must give at least one month's written notice to MassMutual's Home Office. Upon my death, my executors or administrators will pay to MassMutual from my estate the amount of any payments collected by the Bank which may have been considered as an overpayment depending upon the type of distribution election I made.

Bank Name \_\_\_\_\_

city state

Bank Transit Routing Number \_\_\_\_\_ Telephone # \_\_\_\_\_

Account Number: \_\_\_\_\_  Savings  Checking  Other \_\_\_\_\_

**PLEASE ATTACH A COPY OF A VOIDED CHECK IF USING A CHECKING ACCOUNT. DO NOT SEND DEPOSIT TICKET.**

## SIGNATURE

Participant \_\_\_\_\_

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

**Special Tax Notice  
For Payments Not From a Designated Roth Account**

**YOUR ROLLOVER OPTIONS**

You are receiving this notice because all or a portion of a payment you are receiving from your retirement 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 from each account.

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 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 59 1/2 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 59 1/2 (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 59 1/2 (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 (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70 1/2 (or after death)
- Hardship distributions
- ESOP dividends

- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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 you are under age 59 1/2, 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 the 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 from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- 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 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 requested to be withdrawn within 90 days of the 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 59 1/2, 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 from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) 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 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).*

### **SPECIAL RULES AND OPTIONS**

#### **If your payment includes after-tax contributions**

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is generally included in the payment. If you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you, you can decide whether you want to rollover your after tax portion or have it paid directly to you as a cash distribution. If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a complete distribution of your benefit which totals \$12,000, of which \$2,000 is after-tax contributions. In this case, if you roll over \$10,000 to an IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

#### **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 your payment includes employer stock that you do not roll over**

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59 1/2, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the Stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

**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 income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

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

**If your payment is from a governmental section 457(b) plan**

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59 1/2 (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59 1/2 will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "if your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

**If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance**

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

**If you roll over 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 5 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 2-year period starting in 2011.

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 59 1/2 (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, 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 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 59 1/2 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 70 1/2.

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 70 1/2.

**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 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 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 (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 for federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, if your plan's cashout limit is greater than \$1,000, a mandatory cashout of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a 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 the plan's defined cashout limit (not in excess of \$5,000 (may or may not include 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 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 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, 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](http://www.irs.gov), or by calling 1-800-TAX-FORM.

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