

In-Plan Roth Conversion

This package contains step-by-step instructions to complete an in-plan Roth conversion.

Know: The conversion is irreversible.

Do: Talk with a tax professional or financial advisor before making your decision.

- An in-plan Roth conversion lets you convert non-Roth dollars in your account to Roth dollars, which are after-tax dollars. You pay taxes on the amount you convert now, but you can receive the earnings on Roth dollars tax-free when you have a qualified distribution.
 - The conversion is treated as a distribution for tax purposes and a rollover back into your account - even though your money never leaves the Plan.
 - This transaction does not meet any Required Minimum Distribution obligations you may have for the year. (This is generally relevant only after you reach the applicable age or retirement.) However, if you are required to take a required minimum distribution (RMD) this year and have not already done so, it will be calculated and paid to you before the conversion is processed.
 - An in-plan Roth conversion can have a significant tax liability. Your Roth conversion may result in taxable income to you as it is considered a withdrawal for tax purposes even though it is not a withdrawal from the Plan. No income tax will be withheld by Service Provider.
 - I acknowledge and agree that the in-plan Roth rollover/transfer that I have requested is processed as a withdrawal followed by a deposit into the Roth account, which requires the sale and subsequent repurchase of investment options in my account on separate trading days. I further acknowledge and agree that the processing of my request may result in a different number of shares/units repurchased into the investment options due to the sale proceeds being out of the market for one or more trading days.
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In this package...

- **In-Plan Roth Rollover/Transfer Request Form** - You must complete this form and return it for your conversion to take place.
 - **Special Tax Notice** - IRS explanation of tax consequences when taking a distribution (if applicable).
 - **In-Plan Roth Conversion Frequently Asked Questions** - General information about your conversion.
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Please read these materials carefully before making any decisions about your account.



In-Plan Roth Rollover/Transfer Request 401(k) Plan

International Association of Plumbing & Mechanical Officials 401(k) Plan

765485-01

For My Information

- For general Plan information, visit the website at empowermyretirement.com or contact Service Provider at 1-833-569-2433.
- If you are an alternate payee or spousal beneficiary, please contact Service Provider for additional instructions.
- Use black or blue ink when completing this form.
- This form is not to be used for required minimum distributions.

A What is my personal information?

(Continue to the next section after completing.)

Account extension, if applicable, identifies funds transferred to a beneficiary due to participant's death, alternate payee due to divorce or a participant with multiple accounts.

Account Extension

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U.S. Social Security Number or U.S. Taxpayer Identification Number
(Must provide all 9 digits)

Last Name

First Name

M.I.

Date of Birth (mm/dd/yyyy) **Required**

(The name provided MUST match the name on file with Service Provider.)

()

Daytime Phone Number

()

Alternate Phone Number

Select One (Required):

☐ I am a U.S. Citizen or U.S. Resident Alien.

☐ I am a Non-Resident Alien or Other. (Complete 'Non-Resident Alien or Other Certification' section.)

Required - Provide Country of Residence: _____



B Conversion Election

Restrictions apply; See Guide for details.

(Continue to the next section after completing.)

Have you separated from service/retired? ☐ Yes ☐ No (If yes, the date is required)

/ /
(mm/dd/yyyy)

In-Plan Roth Rollover/Transfer

Indicate below the Non-Roth money source(s) to be distributed in an In-plan Roth rollover/transfer and deposited into an In-plan Roth money source within the Plan. (See Guide for a list of money sources.) The taxable portion of the eligible money types entered below will be reported as income as appropriate.

Non-Roth money source:	Enter percentage:	OR	Enter dollar amount:
	%	OR	\$
	%	OR	\$
	%	OR	\$
	%	OR	\$
	%	OR	\$

Last Name

First Name

M.I.

U.S. Social Security Number

Number

C Non-Resident Alien or Other Certification*Complete only if I indicated I am a non-resident alien or other under Section A of this form.**(Continue to the next section after completing.)***Do not complete if U.S. Citizen or U.S. Resident Alien was indicated in Section A of this form.**

Under penalty of perjury, if I checked Non-Resident Alien or Other in Section A of this form, my signature certifies that:

- I am the individual that is the beneficial owner of all the income to which this form relates or is using this form to document myself for chapter 4 purposes.
- I am not a U.S. person.
- The income to which this form relates is:
 - not effectively connected with the conduct of a trade or business in the United States,
 - effectively connected but is not subject to tax under applicable income tax treaty, or
 - the partner's share of a partnership's effectively connected income.
- I am a resident of the treaty country listed below under the "Claim of Tax Treaty Benefits" (if any) within the meaning of the income tax treaty between the United States and that country.
- I agree that I will submit a Form W8-BEN within 30 days if any certification made on this form becomes incorrect.

Identification of Beneficial Owner

Country of citizenship

Foreign tax identifying number

Permanent resident address (street, apt. or suite no., or rural route) **Do not use P.O. Box or in-care of address**

City or town, state or province. Include postal code where appropriate.

Country

Mailing Address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country

Claim of Tax Treaty Benefits (for chapter 3 purpose only)

I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.

Special rates and conditions (if applicable): The beneficial owner is claiming the provisions of Article and paragraph _____ of the treaty identified on the line above to claim a _____% rate of withholding on (specify type of income):

Explain the additional conditions in the Article and paragraph the beneficial owner meets to be eligible for the rate of withholding:

D Signatures and Consent (Signatures must be on the lines provided.)*(After receiving ALL required signatures, continue to the next section.)***My Consent** (Please sign on the 'My Signature' line below.)

My signature acknowledges that I have read, understand and agree to all pages of this In-Plan Roth Rollover/Transfer Request, the In-Plan Roth Rollover/Transfer Request Guide and the 402(f) Notice of Special Tax Rules on Distributions and affirms that all information that I have provided is true and correct. I understand the following:

- Any election for an account withdrawal reflected on the In-Plan Roth Rollover/Transfer Request Form is effective for 180 days.
- Once an in-plan Roth conversion has been processed, it is irrevocable and it cannot be changed.
- My in-plan Roth money source(s) will be subject to the terms of the Plan.
- My account assets subject to this request will be out of the market while my conversion request is processed.
- Unless the Plan Administrator has directed otherwise, this conversion will be automatically prorated against all of my investment option(s) in the money sources available for the in-plan Roth conversion unless I have specified eligible money source(s) for the in-plan Roth rollover/transfer above. The amounts generated from the sale of the investment option(s) will be used to purchase the same investment option(s) it was taken from.
- If the conversion affects a frozen investment option(s), the amounts generated from the sale of the frozen investment option(s) will be used to purchase investment option(s) in accordance with my allocation instructions for future contributions on file with Service Provider. If I have not made an election then the money will be invested based on information on file with Service Provider, if any, or the Plan's default fund(s).
- If I am under age 59½ at the time of the in-plan Roth conversion and I take a withdrawal of the converted amount earlier than 5 years after the conversion, a premature distribution penalty of 10% may apply. I should consult my tax advisor regarding the application of the penalty.
- Funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents. I will refer to the fund's prospectus and/or disclosure documents for more information.
- It is entirely my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code").
- Under penalty of perjury, I certify that the U.S. Social Security number or U.S. Taxpayer Identification number I have provided in Section A is correct. I am a U.S. person if I marked the U.S. Citizen or U.S. Resident Alien box in Section A of this form.
- In the event that any section of this form is incomplete or inaccurate, Service Provider may not process the transaction requested on this form and may require a new form or that I provide additional or proper information before the transaction can be processed.
- The taxable portion of this conversion is subject to federal and state income tax. I am liable for any income tax assessed by the IRS or any state tax authority for any election I have chosen. Income tax will not be withheld from this conversion, and I am responsible for making estimated tax payments, if needed. This taxable conversion will be reported on IRS Form 1099-R.**
- If I am required to take a Required Minimum Distribution (RMD) this year and have not already done so, the RMD will be processed and paid to me before this conversion is processed. Taxes on the RMD will be withheld at the default rate of 10% unless I choose not to have federal tax withheld or select a different withholding rate prior to submitting this conversion request. (Refer to the Marginal Rate Tables and instructions on page 2 of Form W-4R (www.irs.gov/pub/irs-pdf/fw4r.pdf) for additional information related to selecting a federal withholding election.) I am responsible for payment of any taxes due and any penalties that may be assessed if my withholding and/or estimated tax payments are not sufficient. State tax will be withheld in accordance with the rules of my state of residence.
- I should consult with my tax advisor for assistance with my request before signing this form.

D	Signatures and Consent <i>(Signatures must be on the lines provided.)</i> <i>(After receiving ALL required signatures, continue to the next section.)</i>																		
	My Consent <i>(Please sign on the 'My Signature' line below.)</i>																		
	<ul style="list-style-type: none"> The ten percent (10%) early withdrawal federal penalty will not apply to this conversion. For at least 30 days after my receipt of the 402(f) Notice of Special Tax Rules on Distributions, I have the right to consider whether to consent to a distribution of the vested account balance or elect a direct rollover of any vested portion of the eligible rollover distribution. By signing this form less than 30 days after I received the 402(f) Notice of Special Tax Rules on Distributions, I affirmatively waive any unexpired portion of the 30 day period and affirmatively elect a distribution from the account pursuant to this in-plan Roth rollover/transfer. <p>Any person who presents a false or fraudulent claim is subject to criminal and civil penalties.</p> <p> My Signature _____ Date (Required) _____ <i>A handwritten signature is required on this form. An electronic signature will not be accepted and will result in a significant delay.</i> </p>																		
	My Authorized Plan Administrator Signature <i>(Please sign on the 'Authorized Plan Administrator Signature' line below.)</i>																		
	<p>This request is in compliance with the terms of the Plan. I hereby instruct to convert available and eligible non-Roth assets into Roth money sources pursuant to this request. A written explanation of the tax rules and any Internal Revenue Service, Department of Labor or other notice requirements applicable to this request have been provided to the participant.</p> <p>I certify that the Participant's accurate vesting percentage for each money source is listed below. <i>(Please be advised that balances may not exist in all money sources.)</i></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">ERM 1 - Company Match</td> <td style="width: 10%; text-align: center;">_____</td> <td style="width: 30%; text-align: center;">%</td> </tr> <tr> <td>ERM 2 - FULLY VESTED DOLLARS POST FORFEITURE (ERM1)</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">%</td> </tr> <tr> <td>ERO 1 - Profit Sharing</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">%</td> </tr> <tr> <td>ERO 2 - Money Purchase</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">%</td> </tr> <tr> <td>ERO 3 - FULLY VESTED DOLLARS POST FORFEITURE (ERO1)</td> <td style="text-align: center;">_____</td> <td style="text-align: center;">%</td> </tr> <tr> <td>QNE 1 - Qualified Non-elective</td> <td style="text-align: center;">100</td> <td style="text-align: center;">%</td> </tr> </table> <p>I represent that I am an authorized signer on behalf of the above-named Plan and have an authority to instruct Service Provider to process this form.</p> <p> Authorized Plan Administrator Signature _____ Date (Required) _____ <i>A handwritten signature is required on this form. An electronic signature will not be accepted and will result in a significant delay.</i> </p> <p>Print Full Name _____</p>	ERM 1 - Company Match	_____	%	ERM 2 - FULLY VESTED DOLLARS POST FORFEITURE (ERM1)	_____	%	ERO 1 - Profit Sharing	_____	%	ERO 2 - Money Purchase	_____	%	ERO 3 - FULLY VESTED DOLLARS POST FORFEITURE (ERO1)	_____	%	QNE 1 - Qualified Non-elective	100	%
ERM 1 - Company Match	_____	%																	
ERM 2 - FULLY VESTED DOLLARS POST FORFEITURE (ERM1)	_____	%																	
ERO 1 - Profit Sharing	_____	%																	
ERO 2 - Money Purchase	_____	%																	
ERO 3 - FULLY VESTED DOLLARS POST FORFEITURE (ERO1)	_____	%																	
QNE 1 - Qualified Non-elective	100	%																	
E	Where should I send this form?																		
	<p>After all signatures have been obtained, this form can be</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> Uploaded Electronically: Login to account at empowermyretirement.com Click on Upload Documents to submit </td> <td style="width: 33%; vertical-align: top; text-align: center;"> OR </td> <td style="width: 33%; vertical-align: top;"> Sent Regular Mail to: Empower PO Box 56025 Boston, MA 02205-6025 </td> </tr> <tr> <td></td> <td style="text-align: center; vertical-align: middle;">OR</td> <td></td> </tr> <tr> <td></td> <td></td> <td style="vertical-align: top;"> Sent Express Mail to: Empower 8515 E. Orchard Road Greenwood Village, CO 80111 </td> </tr> </table> <p>We will not accept hand delivered forms at Express Mail addresses.</p>	Uploaded Electronically: Login to account at empowermyretirement.com Click on Upload Documents to submit	OR	Sent Regular Mail to: Empower PO Box 56025 Boston, MA 02205-6025		OR				Sent Express Mail to: Empower 8515 E. Orchard Road Greenwood Village, CO 80111									
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Effective December 31, 2020, Empower acquired the Massachusetts Mutual Life Insurance Company's (MassMutual) retirement business. Empower administers the business on MassMutual's behalf, with certain administrative services being performed by MassMutual and its affiliates during a temporary transition period. Empower is not affiliated with MassMutual or its affiliates.

Participant In-Plan Roth Rollover/Transfer Request Guide - 401(k)

The In-Plan Roth Rollover/Transfer Request

Before completing the form, please note the following information:

- All pages of the In-Plan Roth Rollover/Transfer Request ("this Form") must be returned *excluding* the Participant In-Plan Roth Rollover/Transfer Request Guide and the 402(f) Notice of Special Tax Rules on Distributions.
- Neither this Guide nor this Form are intended to provide tax or legal advice. In the preparation of this Form, and where I deem appropriate, I will seek a consultation with my accountant and/or tax advisor.
- I am strongly urged to consult with an accountant and/or tax advisor before making my final decision and in the preparation of this Form.
- This transaction will be processed in accordance with the Plan and the direction provided by the Plan Administrator.
- **If I have more than one account or Plan number, I must complete a separate In-Plan Roth Rollover/Transfer Request Form for each account or plan number.**
- **If I am a beneficiary, I need to complete a Death Benefit Claim Request form rather than an In-Plan Roth Rollover/Transfer Request. Only spousal beneficiaries may request an in-plan Roth rollover/transfer.**

Changes to My Request

- Any changes to this form must be crossed out and initialed. If I do not initial all changes, this Form may be returned to me for verification.

Incomplete or Inaccurate Information

- In the event that any section of this Form is incomplete or inaccurate, Service Provider may not be able to process the transaction requested on this Form. I may be required to complete a new form or provide additional or proper information before the transaction will be processed.

Section A: What is my personal information?

- All information in this section must be completed.
- The name provided MUST match the name on file with Service Provider.
- Personal information will be kept confidential.

Section B: What is my conversion reason?

- Once Service Provider has processed the conversion, it cannot be reversed.
- The following is a brief explanation of each of the conversion reasons allowed by your Plan.

I have Separated from Service/Retired

- I must indicate the date of separation from service/retirement on the line provided.

I am requesting an in-service in-plan Roth rollover

Available money source(s) for this reason:

- ATR 1 Rollover (MassMutual)
- ATR 2 After-Tax Rollover
- BTK 1 Deferred Salary
- EER 1 Employee Rollover
- ERM 1 Company Match
- ERM 2 FULLY VESTED DOLLARS POST FORFEITURE (ERM1)
- ERO 1 Profit Sharing
- ERO 2 Money Purchase
- ERO 3 FULLY VESTED DOLLARS POST FORFEITURE (ERO1)
- QNE 1 Qualified Non-elective

Restrictions when requesting an in-service in-plan Roth rollover:

- For the ATR 1 Rollover (MassMutual) money source, I must be at least age 59½ or older.
- For the ATR 2 After-Tax Rollover money source, I must be at least age 59½ or older.
- For the BTK 1 Deferred Salary money source, I must be at least age 59½ or older.
- For the EER 1 Employee Rollover money source, I must be at least age 59½ or older.
- For the ERM 1 Company Match money source, I must be at least age 59½ or older.
- For the ERM 2 FULLY VESTED DOLLARS POST FORFEITURE (ERM1) money source, I must be at least age 59½ or older.
- For the ERO 1 Profit Sharing money source, I must be at least age 59½ or older.
- For the ERO 2 Money Purchase money source, I must be at least age 62.0 or older.
- For the ERO 3 FULLY VESTED DOLLARS POST FORFEITURE (ERO1) money source, I must be at least age 59½ or older.
- For the QNE 1 Qualified Non-elective money source, I must be at least age 59½ or older.

I am requesting an in-service in-plan Roth transfer

Available money source(s) for this reason:

- ATR 1 Rollover (MassMutual)
- ATR 2 After-Tax Rollover
- BTK 1 Deferred Salary
- EER 1 Employee Rollover
- ERM 1 Company Match
- ERM 2 FULLY VESTED DOLLARS POST FORFEITURE (ERM1)
- ERO 1 Profit Sharing
- ERO 2 Money Purchase
- ERO 3 FULLY VESTED DOLLARS POST FORFEITURE (ERO1)
- QNE 1 Qualified Non-elective

Section C: Non-Resident Alien or Other Certification

- If I am a non-resident alien, I must complete the 'Non-Resident Alien or Other Certification' section on this form.
- I may call 1-800-TAX-FORM (829-3676) or visit irs.gov for further information.

Section D: Signatures and Consent

- **Handwritten signatures are required on this form. Electronic signatures will not be accepted and will result in a significant delay.**

My Consent

- I must read the disclosure in this section before signing.
- My signature and the date are required.
- I attest to receiving, reading, understanding and agreeing to all provisions of the In-Plan Roth Rollover/Transfer Request, the Guide and the 402(f) Notice of Special Tax Rules on Distributions.

My Authorized Plan Administrator Signature

- My authorized Plan Administrator's signature and completed vesting information are required.
- My distribution request will not be processed without my authorized Plan Administrator's signature.

Section E: Where should I send this form?

- Once I have completed this Form, including obtaining all signatures, I must forward it according to the instructions listed in this section.
- If I have elected to upload this Form to Service Provider, I need to allow 2-4 hours for receipt before I check on the status.
- We will not accept hand delivered forms at Express Mail addresses.

Required Information

Important Note

- Although every effort is made to keep this information current, it is subject to change without notice. Federal, state, and local tax laws may be revised, and new Plan provisions may be adopted by my Plan.
- For more information about available investment options, including fees and expenses, I may obtain applicable prospectuses and/or disclosure documents regarding plan investments and fees available from my Plan Administrator and/or Plan Service Representative. Read them carefully before investing.
- For more information about Plan Provisions, you can refer to your Plan's Summary Plan Description.

In-Plan Roth Conversion Frequently Asked Questions

Q. What does the Roth Conversion provision mean to me?

The Small Business Jobs and Credit Act of 2010 and the American Taxpayer Relief Act of 2012 allow plan participants to convert non-Roth account balances (such as pretax, regular after-tax, and rollover balances) in a 401(k), 403(b) or a governmental 457(b) plan to a Roth basis, provided: 1) the plan allows Roth contributions, and 2) the plan sponsor elects to add this provision.

Your employer has elected to add this provision to the plan. Thus, you may elect to convert available non-Roth money from your plan account to a Roth account within the plan. The law treats this as a distribution and a rollover back into the plan, although your funds never leave the plan.

Please Note: Once you elect an in-plan Roth conversion, you cannot reverse your decision.

Q. Why would I consider converting my non-Roth balances to a Roth basis?

Roth amounts and their associated investment earnings may be distributed from the plan on a tax-free basis, provided you meet certain requirements. However, when you convert non-Roth amounts to a Roth basis, the conversion is a current taxable event (except for any amounts on which you have already paid income tax, such as after-tax contributions). If you do not convert non-Roth amounts to a Roth basis, the amounts in your account, including the investment earnings, grow tax-deferred, meaning they will be taxed when distributed (except for any after-tax contributions you made).

Q. If I owe taxes on my account balance either way, what is the benefit of doing this now?

That depends on your personal situation and what you believe your tax rate will be during retirement or when you expect to take a distribution of your account balance. If you believe you will have a higher tax rate in retirement, converting taxable amounts to a Roth basis may be a benefit for you. However, if you do not want to, or do not have available cash outside of the plan to pay taxes on that money now and/or expect to have a lower tax rate in retirement, a conversion to a Roth basis may not be for you. You should consult with a tax advisor if you are unsure whether this is a benefit for you.

Q. Why would I want to convert after-tax contributions? I've already paid taxes on that money.

After-tax contributions will not be taxed upon distribution, but the associated investment earnings will be. But after you convert your after-tax account to a Roth basis and you withdraw the Roth amounts in a "qualified distribution," you will not have to pay taxes on any investment earnings on that money which has accumulated since you made the conversion.

Q. What is a "qualified distribution" from a Roth account?

Generally, you must meet two requirements to have a "qualified distribution" from your Roth account. The distribution must take place 5 years after conversion (measured from the first day of the year in which you made the conversion or started making Roth contributions to the plan, if earlier) and it must be due to your reaching age 59½, or your death or disability.

Q. If this is considered a withdrawal from my account, won't taxes be taken out of the amount I am rolling back into the Plan? If I'm under 59½, won't I be charged the 10% penalty for early withdrawal?

Since this is considered a withdrawal and a rollover back into the plan, no taxes will be withheld from the converted amount and you will not be charged a penalty. Elective income tax withholding is not allowed. If you take a withdrawal within 5 years measured from the first day of the year in which you convert, you will generally owe a premature distribution penalty of 10% of the taxable portion of the amount converted. However, certain exceptions apply. Even though this is technically treated as a withdrawal, it is being done in a way that keeps you **fully invested** in the funds you have elected and no actual cash will be removed from your account.

Q. How will I know the taxable amount of what I've converted?

Service Provider will mail you a Form 1099-R for the year in which you did the conversion that includes the converted amount you will owe taxes on. This amount will be considered income to you in the year the conversion was performed. You may want to consult with a tax advisor about making adequate estimated tax payments for the year of conversion.

Q. Besides tax consequences, are there any other issues I should consider before deciding to perform this transaction?

This is a complex financial decision and you are strongly encouraged to consult with a tax advisor before initiating such a transfer.

Q. I currently have an outstanding loan from my plan account. Can I include that amount in my rollover to the Roth account?

No. You must pay off any outstanding loans before including that money in the conversion.

Q. How do I determine the amount I have available for an in-plan Roth conversion?

If you would like to print out a statement to review with your tax advisor, your quarterly statement (online generated or paper) or an online On-Demand statement will show you the sources that are in your account and the amount in each source. The Participant In-Plan Roth Rollover/Transfer Request Guide provides further details regarding the sources that may be available to include in your in-plan Roth conversion request. It is a good idea to review this information with your tax advisor before you determine the amount of your transaction.

Q. How do I know when the conversion has been completed?

Your account activity should show that a withdrawal has been processed from your account and the full amount deposited into in-plan Roth sources within the plan.

The In-plan Roth conversion transaction is a complex transaction with potentially significant tax liability. The processing methods and tax reporting are subject to change upon receipt of further regulations and/or guidance. You should consider your decision carefully and consult a tax professional.

402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS

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 International Association of Plumbing & Mechanical Officials 401(k) Plan (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 in some employer plans that are subject to special tax). 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 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½), 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 to the 10% additional income tax applies).

What types of retirement accounts and plans may accept my rollover?

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, IRAs are not subject to spousal consent rules, 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. Generally, 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 (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949 and before January 1, 1951), after age 73 (if you were born after December 31, 1950 and before January 1, 1960), or after death;
- Hardship distributions;
- Payments of employee stock ownership plan (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;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution;

- 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); and

- Distributions of certain premiums for health and accident insurance.

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 59½, 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 applies to the part of the distribution that you must include in income and 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 plan made after you separate from service if you are a qualified public safety employee and you (1) will be at least age 50 in the year of the separation or (2) have at least 25 years of service under the Plan;
- Payments from a tax-qualified plan or section 403(b) plan made after you separate from service if you are an employee who provides firefighting services, and you (1) will be at least age 50 in the year of the separation or (2) have at least 25 years of service under the Plan;
- Payments of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- Payments made due to disability;
- Payments made while you are terminally ill;
- 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;
- 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 (without regard to whether you itemize deductions for the taxable year);
- 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;
- Payments of up to \$22,000 made in connection with federally-declared disasters;
- Phased retirement payment made to federal employees;
- Payments for emergency personal expenses, up to the lesser of (1) \$1,000, or (2) the excess of your vested benefit over \$1,000; and
- Payments to domestic abuse victims, up to the lesser of (1) \$10,000 (or such higher amount the IRS announces for years after 2024), or (2) 50% of your vested benefit.

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 on the part of the distribution that you must include in income, 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:

- The exceptions for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 or following 25 years of service for qualified public safety employees and employees providing firefighting services) do not apply;
- 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); and

- 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.

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;
- 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); and
- Payments of net income attributable to an excess IRA contribution made in a calendar year where such amounts are distributed by tax return deadline for the year (including extensions) and no deduction is allowed for the excess contribution.

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 you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, 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. In addition, special rules apply when you do a rollover, as described below.

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 at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth 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. 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 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 59½, 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, generally, the 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 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. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

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 59½ (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 59½ 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 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 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

If you roll over a payment from the Plan 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. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the five-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

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 do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. In general, the 10% additional tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the five-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies). You are not required to take required minimum distributions from a designated Roth account during your lifetime.

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both 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 this 5-year rule you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account 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). With respect to taxable years beginning after 2023, you are not required to take required minimum distributions from a designated Roth account during your lifetime.

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 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 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), age 72 (if you were born after June 30, 1949, and before January 1, 1951), or after age 73 (if you were born after December 31, 1950, and before January 1, 1960).

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 participant was born before July 1, 1949), age 72 (if participant was born after June 30, 1949, and before January 1, 1951), or age 73 (if the participant was born after December 31, 1950, and before January 1, 1960).

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 QDRO. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, 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 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*.

Special Rules and Options

Explanation regarding the taxation and consequences of in-plan Roth direct rollover of a non-Roth account. If a distribution is an eligible rollover distribution of a non-Roth account, and the distributee is requesting a direct rollover of the distribution as an in-plan Roth rollover, the following special rules and options will apply. If the distributee rolls over the payment to a designated Roth account in the plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distribution will not apply (unless the distributee takes the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover). If the distributee rolls over the payment to a designated Roth account in the plan, later payments from the designated Roth account that are qualified distribution will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after the distributee attains age 59½ (or after the distributee's death or disability) and after the distributee has had a designated Roth account in the plan for a period of at least 5 years. The 5-year period described in the preceding sentence begins on January 1 of the year the distributee's first contribution was made to the designated Roth account. However, if the distributee made a direct rollover to a designated Roth account in the plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year of the distributee's first contribution was made to the designated Roth account in the plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments made from the designated Roth account that are not qualified distributions will be taxed to the extent allocable to earnings after the rollover, including the 10% additional tax on early distributions (unless an exception applies).

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 federal income taxes. However, you may do a 60-day rollover. Unless you elect otherwise, a mandatory cash-out of more than \$1,000.00 (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 cash-out 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 \$7,000 (not including 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 on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

Postponement of Distribution Notice

Generally, if your vested benefit exceeds \$7,000.00, you have the right to defer distribution of your vested account balance from the Plan. If you

elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the Plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of the distribution if you do not rollover your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly or you may receive your distribution and roll it over within 60 days to avoid current taxation and to continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses, and currently available Plan investment options, including investment related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Plan's Summary Plan Description, including the sections on timing of distributions and available distributions.

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.