

Please follow the steps shown below to ensure we are able to process your request in a timely manner. This packet is used to request withdrawals from your 457/401/403b Employer Plan account **following retirement or separation from service with your employer**. For all other withdrawal requests (e.g., unforeseeable emergency withdrawals while you are still employed, purchase of service credits), please log in to your account at [www.missionsq.org/login](http://www.missionsq.org/login) or contact MissionSquare Plan Services for the appropriate forms.

1. **Complete the form applicable to your desired payment request**

- **Recurring Installment Payments** – Complete the *Installment Payment Form*
- **One-Time Payments** – Complete the *One-Time Payment Form*

If you have more than one account, submit a separate withdrawal form for each account.

2. **Is this your first request following separation from service?** If so, your former employer may need to sign the form to confirm you are eligible to withdraw money. Failure to obtain the required employer signature could delay the processing of your withdrawal request.

3. **For all installment payment requests**, please also submit a voided check or deposit slip with the completed form so we can establish direct deposit with your bank.

4. **Fax or mail the completed form(s) to MissionSquare.**

FAX:

MissionSquare Plan Services  
(844) 677-3297

MAIL:

MissionSquare Plan Services  
P.O. Box 219320  
Kansas City, MO 64121-9320

*Please keep a copy of the completed form for your records.*

## TIME FRAME FOR PAYMENTS

Following the receipt of your properly completed withdrawal form, one-time payments will be distributed as soon as possible (typically within three business days). All requests to initiate, change, or stop payments will be processed when received. Please submit requests to initiate installment payments at least five business days prior to the payment date you select and submit requests to change or stop payments no more than 5 business days prior to your next scheduled payment date.

At MissionSquare, we take security of our participants' retirement assets seriously. We have stringent security measures in place and we continuously apply enhancements to safe guard your assets.

Additional precautions are taken when processing withdrawal requests. Adding or changing information on file with MissionSquare will require verification of the entry, which may delay your withdrawal.

Thank you for saving your retirement assets with MissionSquare. If you have separated from service, you are eligible to withdraw funds from your account at any time, but you are generally not required to take withdrawals until after you attain 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 age 73 (if you were born after December 31, 1950). You can continue to receive tax advantages and MissionSquare services throughout your working and retirement years. Note: while 457 plan withdrawals are generally not subject to early withdrawal penalty taxes, assets transferred to another type of retirement plan and then distributed may be subject to the additional tax.

## MAKING A SMART WITHDRAWAL DECISION

MissionSquare Retirement helps you maintain retirement security throughout your working and retirement years. After separating from service with your employer, you have important decisions to make about your retirement assets. Please take time to carefully review your options.

### WITHDRAWING IN RETIREMENT

If you have retired, or will retire soon, congratulations! We hope this is a very positive event and that your retirement savings help you realize your retirement dreams. You need to think about when and how to withdraw your assets. **Consider working with your MissionSquare representative to develop a withdrawal strategy that addresses:**

- **any potential gap** between all your sources of income, such as employer-sponsored retirement plans, pensions, Social Security, and annuity products (including lifetime income funds), and ongoing expenses; and
- **how much you should withdraw** from your investments to maintain your desired standard of living but not outlive your money.

### CONSIDERING A WITHDRAWAL BEFORE RETIREMENT?

If you are in between jobs, withdrawing from your retirement funds should generally be a last resort. The economic costs of withdrawal are likely to be much greater than the benefit of receiving the money earlier.

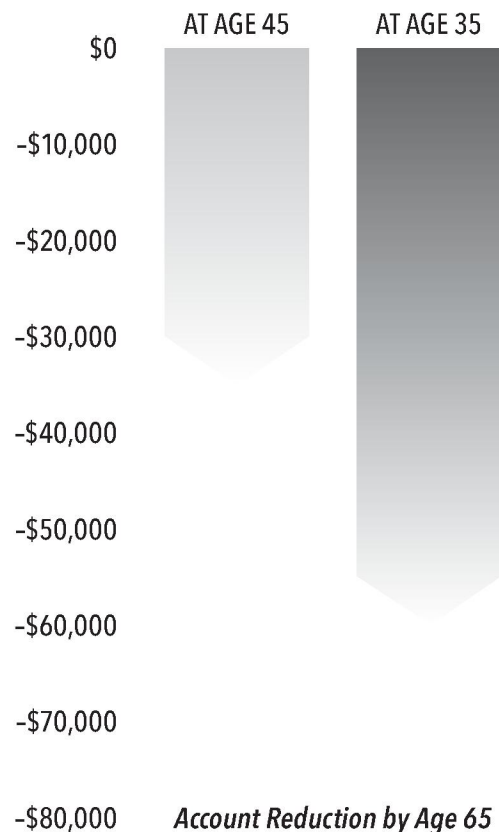
Why? You pay taxes much sooner than necessary and you lose out on the potential for that money to grow in a tax-advantaged account for your future retirement needs.

### MAKING A DECISION

Your MissionSquare Retirement Plans Specialist or CERTIFIED FINANCIAL PLANNER™ professional can help you sort through your options and learn about investment and withdrawal strategies that maximize your chances of meeting your retirement goals. Visit [www.missionsq.org/retiree](http://www.missionsq.org/retiree) for additional guidance.

*Assuming a 6% return, a 45-year-old employee who withdraws \$10,000 could reduce his or her account balance by over \$30,000 at age 65; a 35-year-old employee could see a reduction of nearly \$60,000.*

#### IMPACT TO FUTURE ACCOUNT BALANCE – AFTER A \$10,000 WITHDRAWAL



If, however, you have no other options, consider only withdrawing what you absolutely need. That way you'll have more to build on for the future.

- Submit this form to initiate, change, or stop installment payments from your 457/401/403b Employer Plan account.
- For your first request following separation from service, your former employer may need to sign Section 8 of this form to confirm you are eligible to withdraw money from the account.

**1 PARTICIPANT INFORMATION (COMPLETE ALL FIELDS IN THIS SECTION)**

EMPLOYER PLAN NUMBER:	EMPLOYER PLAN NAME:		
SOCIAL SECURITY NUMBER:	DATE OF BIRTH: MM/DD/YYYY	PREFERRED PHONE NUMBER:	EMAIL ADDRESS:
FULL NAME: LAST, FIRST, MI			
MAILING ADDRESS:			
STREET		CITY	STATE ZIP

**2 REASON FOR REQUEST**
**NEW INSTALLMENT REQUEST:**

- ☐ Retirement/Separation from service
- ☐ Disability (Certification required)

**CHANGE/STOP -REQUEST:**

- ☐ Change -Payments
- ☐ Stop Payments. Payments will be stopped as soon as possible.

**3 INSTALLMENT PAYMENTS**

1. **PAYMENT DATE:** Specify the approximate beginning payment date: MM/DD/YYYY \_\_\_\_\_ (please specify a day of the month between the 1<sup>st</sup> and the 25<sup>th</sup>)

Your payments will generally be processed on the day of the month specified above. In some situations, your payment may be sent on a different day to ensure the payment is made in the scheduled month. If the day prior to your payment date is a holiday or weekend, the payment may be sent one to two business days later than the day you select. If you do not select a date, your payment will be sent as soon as possible and future payments will be scheduled to occur on the same day of the month.

2. **PAYMENT OPTION:** Select one installment payment option only. You can make changes to your scheduled payments at any time.

- ☐ Payments of \$ \_\_\_\_\_ until account is exhausted (payments must be a minimum of \$100).
- ☐ Payments that will exhaust the account over exactly \_\_\_\_\_ years. (Note: The amount of each installment payment under this option will vary based on changes in your account balance, since each payment is calculated separately using the value of your account and the number of remaining payments.)
- ☐ Required minimum distribution (RMD) payments only. (See the "Additional Information" section for more detail on RMDs.)  
 By selecting this option, **you will only receive the amount required each year to satisfy the RMD rules.**

**Special Election for First-Time RMD Recipients -**

**If this is the first year for which you must receive an RMD and you do not use this section to request a delayed payment as part of setting up ongoing RMDs, your payment will be issued to you by the end of this year, in accordance with the tax withholding election specified on this form.**

- ☐ My first required minimum distribution (RMD) payment is due this year. **Please delay my entire first RMD, pay it in a single payment in the first quarter of next year,** and pay my future RMDs according to the election I make on this form.  
 I understand that by delaying my first year's RMD, I will receive two years' worth of RMDs in a single tax year.

I would like my delayed first time RMD payment to occur in the month of:

- ☐ January ☐ February ☐ March

*Your delayed payment will occur on the same day of the month that you requested for your ongoing RMD payments.*

EMPLOYER PLAN NUMBER:

SOCIAL SECURITY NUMBER:

3. **PAYMENT FREQUENCY:** ☐ Monthly ☐ Quarterly ☐ Semi-Annual ☐ Annual

4. **DIRECT DEPOSIT INFORMATION:** If you previously had payments from this account sent via direct deposit to your checking or savings account and want to use the same deposit instructions for your future payments, please check this box ☐ and do not fill out the rest of this section.

Attach a voided check or deposit slip with your completed form. If you do not provide the requested documentation, or if the bank information is incorrect or incomplete, your payments will be sent in the mail rather than by direct deposit. Please contact your bank to confirm the information below.

Name of Financial Institution: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Type of Account: ☐ Checking ☐ Savings Routing Number (9 digits): \_\_\_\_\_ Account Number: \_\_\_\_\_

Name on Account: \_\_\_\_\_

#### **4 ROLL-IN ASSETS DEPLETION ORDER (For 457 Plans ONLY)**

If your account contains rollover assets from a plan other than a 457 Deferred Compensation Plan, such as a 401(a) or 401(k) plan, the 457 plan assets will be distributed first, followed by roll-in assets unless you select option 2 or 3 below.

1. ☐ Distribute 457 plan assets first, followed by any roll-in assets from a non-457 plan. *(Default Election)*
2. ☐ Distribute 457 plan assets only. *(Cease payments when all 457 assets have been paid.)*
3. ☐ Distribute non-457 roll-in assets only. *(Cease payments when all non-457 rollover assets have been paid.)*

#### **5 ROTH ASSETS DEPLETION ORDER**

If you do not make a selection in this section, assets will be paid from your entire account in accordance with plan rules. **This option is not available for RMD payments.**

- ☐ Pay non-Roth assets only (if you choose this option, your installments will stop once your non-Roth balance is not enough to pay your requested installment amount).
- ☐ Pay Roth assets only (if you choose this option, your installments will stop once your Roth balance is not enough to pay your requested installment amount).

EMPLOYER PLAN NUMBER:

SOCIAL SECURITY NUMBER:

## 6 TAX WITHHOLDING ELECTION

MissionSquare may be required to withhold federal and state income taxes from your payments regardless of your election. You are ultimately liable for the payment of federal and state income taxes on your benefit payments. If you do not provide withholding instructions, MissionSquare will withhold taxes according to the applicable federal and/or state rules. Review the attached W-4R form and the *Special Tax Notice Regarding Payments* for information on tax withholding and eligible rollover distributions.

### Federal Income Taxes *(Check one box only)*

**1. Payments projected to last less than 10 years** – The IRS requires a minimum of 20% be withheld.

☐ Withhold only 20% for federal income tax. *(Default)*

☐ In addition to the mandatory 20%, please withhold \_\_\_\_\_% for federal income tax. *(For Example: If you want a total of 33% withheld for federal income tax, enter 13%)*

**2. Payments over a period of 10 years or more (and RMD payments)** – These payments are not subject to mandatory federal tax withholding. You may request to have no federal tax withheld by entering "0."

☐ Withhold 10% for federal income tax. *(Default)*

☐ Withhold \_\_\_\_\_% for federal income tax.

**State Income Taxes:** Withhold \$\* \_\_\_\_\_ for state income tax. *\*If the dollar amount selected is less than the required state withholding amount, the higher amount will be withheld.*

State in which you will file income taxes *(if different from the address shown in section 1 of this form)*: \_\_\_\_\_

**U.S. Citizen:** ☐ Yes ☐ No

**IRS Form 1099-R:** Taxable amounts will be reported on a Form 1099-R, which will be sent to you in January following the year of a distribution.

## 7 PARTICIPANT SIGNATURE

I hereby authorize the VantageTrust Company (hereinafter call the "Trust") to credit the account referenced in section 3 for any amount owed to me for retirement benefit payments. This authorization agreement is to remain in full force and effect until the Trust has received written notification from me of its termination in such time and in such manner as to afford the Trust and depository a reasonable opportunity to act on it. This authorization agreement may also be terminated by the Trust. In the event that the Trust notifies the bank that funds to which I am not entitled have been deposited to my account inadvertently, I hereby authorize and direct the bank to return said funds to the Trust.

I acknowledge I have received and read the Additional Information section of this withdrawal form and the *Special Tax Notice Regarding Plan Payments* and I hereby waive the applicable 30 day waiting period required under Section 402(f) of the Internal Revenue Code. I direct MissionSquare to process the payment request indicated on this form. As required by law, and under the penalty of perjury, I certify that the Social Security number (Taxpayer Identification Number) I provided is correct.

Participant Signature: \_\_\_\_\_

Date: MM/DD/YYYY \_\_\_\_\_

*MissionSquare Plan Services does not accept electronic or typed signatures.*

## 8 PLAN SPONSOR/EMPLOYER AUTHORIZATION (IF APPLICABLE)

By signing, the employer confirms the participant is eligible to receive payments out of the retirement plan designated in section 1. **This section does not need to be completed if the employer has already notified MissionSquare Retirement of the participant's separation from service.**

Participant's Last Day of Employment: MM/DD/YYYY \_\_\_\_\_

Vesting Schedule (if applicable) \_\_\_\_\_%

Employer Signature: \_\_\_\_\_

Date: MM/DD/YYYY \_\_\_\_\_

Name and Title *(Please Print)*: \_\_\_\_\_

- Submit this form to request a one-time payment from your 457/401/403b Employer Plan account.
- Please review the Additional Information section in this packet prior to submitting the completed form.
- Return the completed form (with the authorized employer signature in Section 8) to MissionSquare.

**1 PARTICIPANT INFORMATION (COMPLETE ALL FIELDS IN THIS SECTION)**

EMPLOYER PLAN NUMBER:	EMPLOYER PLAN NAME:		
SOCIAL SECURITY NUMBER:	DATE OF BIRTH: MM/DD/YYYY	PREFERRED PHONE NUMBER:	EMAIL ADDRESS:
FULL NAME: LAST, FIRST, MI			
MAILING ADDRESS:			
STREET		CITY	STATE ZIP

**2 REASON FOR WITHDRAWAL**

SELECT ONE OPTION ONLY IN THIS SECTION:

- ☐ Retirement/Separation from Service
- ☐ Disability (Certification required)

**3 PAYMENT OPTION**

PAYMENT DATE: Your payment will be sent as soon as possible following the receipt of your request in good order.

- ☐ **Option A** – 100% lump sum payment of entire account balance (Complete sections 4, 6, and 7, as applicable)
- ☐ **Option B** – One-time payment of \$\_\_\_\_\_ (Complete sections 4–7, as applicable)

**4 ROLL-IN ASSETS DEPLETION ORDER (For 457 Plans ONLY)**

If your account contains rollover assets from a plan other than a 457 Deferred Compensation Plan, such as a 401(a) or 401(k) plan, the 457 plan assets will be distributed first, followed by rollover assets unless you select option 2 or 3 below.

- ☐ Distribute 457 plan assets first, followed by any roll-in assets from a non-457 plan. (Default Election)
- ☐ Distribute 457 plan assets only. (Cease payments when all 457 assets have been paid.)
- ☐ Distribute non-457 roll-in assets only. (Cease payments when all non-457 rollover assets have been paid.)

**5 ROTH ASSETS DEPLETION ORDER**

If you do not make a selection in this section, assets will be paid from your account in accordance with plan rules.

- ☐ Pay non-Roth assets first before paying any Roth assets.
- ☐ Pay Roth assets first before paying any non-Roth assets.

EMPLOYER PLAN NUMBER:

SOCIAL SECURITY NUMBER:

## 6 TAX WITHHOLDING ELECTION

MissionSquare may be required to withhold federal and state income taxes from your payments regardless of your election. You are ultimately liable for the payment of federal and state income taxes on your benefit payments. If you do not provide withholding instructions, MissionSquare will withhold taxes according to the applicable federal and/or state rules. Review the attached W-4R form and the *Special Tax Notice Regarding Payments* for information on tax withholding and eligible rollover distributions.

### Federal Income Taxes *(Check one box only)*

The IRS requires a minimum of 20% be withheld.

☐ Withhold only 20% for federal income tax. *(Default)*

☐ In addition to the mandatory 20%, please withhold \_\_\_\_\_% for federal income tax. *(For Example: If you want a total of 33% withheld for federal income tax, enter 13%)*

**State Income Taxes:** Withhold \$\* \_\_\_\_\_ for state income tax. *\*If the dollar amount selected is less than the required state withholding amount, the higher amount will be withheld.*

State in which you will file income taxes *(if different from the address shown in section 1 of this form)*: \_\_\_\_\_

**U.S. Citizen:** ☐ Yes ☐ No

**IRS Form 1099-R:** Taxable amounts will be reported on a Form 1099-R, which will be sent to you in January following the year of a distribution.

## 7 PARTICIPANT SIGNATURE

I acknowledge I have received and read the Additional Information section of this withdrawal form and the *Special Tax Notice Regarding Plan Payments* and I hereby waive the applicable 30 day waiting period required under Section 402(f) of the Internal Revenue Code. I direct MissionSquare Retirement to process the payment request indicated on this form. As required by law, and under the penalty of perjury, I certify that the Social Security number (Taxpayer Identification Number) I provided is correct.

Participant Signature: \_\_\_\_\_

Date: MM/DD/YYYY \_\_\_\_\_

*MissionSquare Plan Services does not accept electronic or typed signatures.*

## 8 PLAN SPONSOR/EMPLOYER AUTHORIZATION (IF APPLICABLE)

By signing, the employer confirms the participant is eligible to receive payments out of the retirement plan designated in Section 1. **This section does not need to be completed if the employer has already notified MissionSquare Retirement of the participant's separation from service.**

Participant's Last Day of Employment: MM/DD/YYYY \_\_\_\_\_

Vesting Schedule (if applicable) \_\_\_\_\_%

Employer Signature: \_\_\_\_\_

Date: MM/DD/YYYY \_\_\_\_\_

Name and Title *(Please Print)*: \_\_\_\_\_

## Email Confirmations

MissionSquare Retirement is now sending many confirmation notices via email, including confirmations related to your withdrawal requests. Please be sure to provide your email address in Section 1 of the form.

## Beneficiary Designations

MissionSquare recommends that you confirm that we have current beneficiary information. Please review and update your beneficiary information as appropriate by accessing your account online at [www.missionsq.org/login](http://www.missionsq.org/login).

## Federal Tax Withholding – “No Withholding” Requests

Lump sum payments and installment payments paid over short periods of time are eligible to be rolled in to another employer-sponsored retirement plan or to an IRA and are subject to an IRS mandated 20% federal income tax withholding. If you request substantially equal installment payments over a period of 10 years or more, your payments will not be subject to mandatory withholding and MissionSquare will honor requests for “no withholding” of federal tax or for withholding amounts less than 20% in federal tax. Please review the attached W-4R form for additional information on tax withholding.

## Required Minimum Distributions (RMDs)

After you reach the later of (a) the calendar year in which you turn 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 age 73 (if you were born after December 31, 1950) or (b) the calendar year in which you separate from service, the IRS requires that you withdraw at least a minimum amount from your 457 Deferred Compensation Plan account each year. The RMD amount is calculated by MissionSquare using your balance in the plan at the end of the previous year and a life expectancy factor provided by the IRS. Beginning in 2024, the total balance excludes any Roth balances in the account.

Provided that MissionSquare has been notified of your separation from service, we will review your account annually to ensure you are satisfying your RMD. MissionSquare may increase your payment amounts (or send you an additional payment) to ensure that you meet the RMD each year.

If you only wish to withdraw the minimum amount from your account each year, select the “Required minimum distribution (RMD) payments only” option in section 3 of the *Installment Payment Form*. Payments from your account will begin after you reach 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 age 73 (if you were born after December 31, 1950).

Failure to withdraw the RMD amounts within the timeframes specified in this packet may result in IRS penalty taxes equal of up to 25% of the amount that was not withdrawn from the account within the required timeframe.

## Withdrawal Penalties

457 plan contributions and associated earnings that remain in the plan until paid are not subject to an early withdrawal penalty tax. However, rolled-in assets may be subject to a 10% early withdrawal penalty tax if withdrawn prior to age 59½, unless an exception to the penalty applies. Check the applicable box in section 4 of the *Installment Payment Form* if you have rollover assets in your account and are selecting a withdrawal schedule that qualifies for an exception to the early withdrawal penalty tax. By checking the box, you confirm your understanding that you are solely responsible for ensuring the payment schedule qualifies for such an exception and that you may owe additional tax penalties if the payment schedule does not qualify for such an exception.

Exceptions to the penalty are listed in the *Special Tax Notice Regarding Plan Payments*. MissionSquare does not withhold any portion of your payment to cover potential tax penalties. The calculation and payment of any such penalty is your responsibility and will be carried out when you file your tax return. Additional information on early withdrawal penalties is available in IRS Publication 575, which is available on the IRS website at [www.irs.gov](http://www.irs.gov) or by calling (800) 829-3676.

## MissionSquare Retirement IncomeAdvantage Fund

If your plan offers the MissionSquare Retirement IncomeAdvantage Fund (the Fund), any assets you have invested in the Fund will be excluded from your withdrawal request. If you would like to initiate withdrawals from the Fund, please contact MissionSquare for the appropriate withdrawal forms.

You can transfer assets from the Fund to other investment options available in your plan if you would like to have them distributed with your withdrawal request. However, you should be aware that withdrawals from the Fund prior to Lock-In proportionately reduce guaranteed values.

After Lock-In, Excess Withdrawals will proportionately reduce and potentially terminate available guarantees. For additional information, please review the *MissionSquare Retirement IncomeAdvantage Fund Important Considerations* document.

## MissionSquare Brokerage

If your plan offers MissionSquare Brokerage, any assets you have invested in MissionSquare Brokerage will be excluded from your withdrawal request. In order to withdraw funds from your brokerage account, you must first transfer the assets back to your core account at MissionSquare. You can liquidate assets in your brokerage account and transfer the assets back to your core account online. Settlement of the sale of investments held in your brokerage account may take up to three business days.

**Withholding Certificate for Nonperiodic Payments and  
Eligible Rollover Distributions**

Give Form W-4R to the payer of your retirement payments.

OMB No. 1545-0074

**2023**

<b>1a</b> First name and middle initial	Last name	<b>1b</b> Social security number
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Address

City or town, state, and ZIP code

Your withholding rate is determined by the type of payment you will receive.

• For nonperiodic payments, the default withholding rate is 10%. You can choose to have a different rate by entering a rate between 0% and 100% on line 2. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its territories.

• For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate on line 2. You may not choose a rate less than 20%.

See page 2 for more information.

<b>2</b> Complete this line if you would like a rate of withholding that is different from the default withholding rate. See the instructions on page 2 and the Marginal Rate Tables below for additional information. Enter the rate as a whole number (no decimals)	<b>2</b>	%
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**Sign  
Here**

Your signature (This form is not valid unless you sign it.)

Date

**General Instructions**

Section references are to the Internal Revenue Code.

**Future developments.** For the latest information about any future developments related to Form W-4R, such as legislation enacted after it was published, go to [www.irs.gov/FormW4R](http://www.irs.gov/FormW4R).

**Purpose of form.** Complete Form W-4R to have payers withhold the correct amount of federal income tax from your nonperiodic payment or eligible rollover distribution from an employer retirement plan, annuity (including a commercial annuity), or individual retirement arrangement (IRA). See page 2 for the rules and options that are available for each type of payment. Don't use Form W-4R for periodic payments (payments made in installments at regular

intervals over a period of more than 1 year) from these plans or arrangements. Instead, use Form W-4P, Withholding Certificate for Periodic Pension or Annuity Payments. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

**Caution:** If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. Your withholding choice (or an election not to have withholding on a nonperiodic payment) will generally apply to any future payment from the same plan or IRA. Submit a new Form W-4R if you want to change your election.

**2023 Marginal Rate Tables**

You may use these tables to help you select the appropriate withholding rate for this payment or distribution. Add your income from all sources and use the column that matches your filing status to find the corresponding rate of withholding. See page 2 for more information on how to use this table.

Single or Married filing separately		Married filing jointly or Qualifying surviving spouse		Head of household	
Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more	Total income over—	Tax rate for every dollar more
\$0	0%	\$0	0%	\$0	0%
13,850	10%	27,700	10%	20,800	10%
24,850	12%	49,700	12%	36,500	12%
58,575	22%	117,150	22%	80,650	22%
109,225	24%	218,450	24%	116,150	24%
195,950	32%	391,900	32%	202,900	32%
245,100	35%	490,200	35%	252,050	35%
591,975*	37%	721,450	37%	598,900	37%

\*If married filing separately, use \$360,725 instead for this 37% rate.

## General Instructions *(continued)*

**Nonperiodic payments—10% withholding.** Your payer must withhold at a default 10% rate from the taxable amount of nonperiodic payments **unless** you enter a different rate on line 2. Distributions from an IRA that are payable on demand are treated as nonperiodic payments. Note that the default rate of withholding may not be appropriate for your tax situation. You may choose to have no federal income tax withheld by entering “-0-” on line 2. See the specific instructions below for more information. Generally, you are not permitted to elect to have federal income tax withheld at a rate of less than 10% (including “-0-”) on any payments to be delivered outside the United States and its territories.

**Note:** If you don’t give Form W-4R to your payer, you don’t provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer must withhold 10% of the payment for federal income tax and can’t honor requests to have a lower (or no) amount withheld. Generally, for payments that began before 2023, your current withholding election (or your default rate) remains in effect unless you submit a Form W-4R.

**Eligible rollover distributions—20% withholding.** Distributions you receive from qualified retirement plans (for example, 401(k) plans and section 457(b) plans maintained by a governmental employer) or tax-sheltered annuities that are eligible to be rolled over to an IRA or qualified plan are subject to a 20% default rate of withholding on the taxable amount of the distribution. You can’t choose withholding at a rate of less than 20% (including “-0-”). Note that the default rate of withholding may be too low for your tax situation. You may choose to enter a rate higher than 20% on line 2. Don’t give Form W-4R to your payer unless you want more than 20% withheld.

Note that the following payments are **not** eligible rollover distributions: (a) qualifying “hardship” distributions, and (b) distributions required by federal law, such as required minimum distributions. See Pub. 505 for details. See also *Nonperiodic payments—10% withholding* above.

**Payments to nonresident aliens and foreign estates.** Do not use Form W-4R. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

**Tax relief for victims of terrorist attacks.** If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, enter “-0-” on line 2. See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

## Specific Instructions

### Line 1b

For an estate, enter the estate’s employer identification number (EIN) in the area reserved for “Social security number.”

### Line 2

**More withholding.** If you want more than the default rate withheld from your payment, you may enter a higher rate on line 2.

**Less withholding (nonperiodic payments only).** If permitted, you may enter a lower rate on line 2 (including “-0-”) if you want less than the 10% default rate withheld from your payment. If you have already paid, or plan to pay, your tax on this payment through other withholding or estimated tax payments, you may want to enter “-0-”.

**Suggestion for determining withholding.** Consider using the Marginal Rate Tables on page 1 to help you select the appropriate withholding rate for this payment or distribution. The tables are most accurate if the appropriate amount of tax on all other sources of income, deductions, and credits has been paid through other withholding or estimated tax payments. If the appropriate amount of tax on those sources of income has not been paid through other withholding or estimated tax payments, you can pay that tax through withholding on this payment by entering a rate that is greater than the rate in the Marginal Rate Tables.

The marginal tax rate is the rate of tax on each additional dollar of income you receive above a particular amount of income. You can use the table for your filing status as a guide to find a rate of withholding for amounts above the total income level in the table.

To determine the appropriate rate of withholding from the table, do the following. Step 1: Find the rate that corresponds with your total income not including the payment. Step 2: Add your total income and the taxable amount of the payment and find the corresponding rate.

If these two rates are the same, enter that rate on line 2. (See *Example 1* below.)

If the two rates differ, multiply (a) the amount in the lower rate bracket by the rate for that bracket, and (b) the amount in the higher rate bracket by the rate for that bracket. Add these two numbers; this is the expected tax for this payment. To get the rate to have withheld, divide this amount by the taxable amount of the payment. Round up to the next whole number and enter that rate on line 2. (See *Example 2* below.)

If you prefer a simpler approach (but one that may lead to overwithholding), find the rate that corresponds to your total income including the payment and enter that rate on line 2.

**Examples.** Assume the following facts for *Examples 1* and *2*. Your filing status is single. You expect the taxable amount of your payment to be \$20,000. Appropriate amounts have been withheld for all other sources of income and any deductions or credits.

**Example 1.** You expect your total income to be \$60,000 without the payment. Step 1: Because your total income without the payment, \$60,000, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. Step 2: Because your total income with the payment, \$80,000, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. Because these two rates are the same, enter “22” on line 2.

**Example 2.** You expect your total income to be \$42,500 without the payment. Step 1: Because your total income without the payment, \$42,500, is greater than \$24,850 but less than \$58,575, the corresponding rate is 12%. Step 2: Because your total income with the payment, \$62,500, is greater than \$58,575 but less than \$109,225, the corresponding rate is 22%. The two rates differ. \$16,075 of the \$20,000 payment is in the lower bracket (\$58,575 less your total income of \$42,500 without the payment), and \$3,925 is in the higher bracket (\$20,000 less the \$16,075 that is in the lower bracket). Multiply \$16,075 by 12% to get \$1,929. Multiply \$3,925 by 22% to get \$863.50. The sum of these two amounts is \$2,792.50. This is the estimated tax on your payment. This amount corresponds to 14% of the \$20,000 payment (\$2,792.50 divided by \$20,000). Enter “14” on line 2.

**Privacy Act and Paperwork Reduction Act Notice.** We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request additional federal income tax withholding from your nonperiodic payment(s) or eligible rollover distribution(s); (b) choose not to have federal income tax withheld from your nonperiodic payment(s), when permitted; or (c) change a previous Form W-4R (or a previous Form W-4P that you completed with respect to your nonperiodic payments or eligible rollover distributions). To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Failure to provide a properly completed form will result in your payment(s) being subject to the default rate; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S.

commonwealths and territories for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.

# Special Tax Notice Regarding Plan Payments

This notice applies to distributions from 401(a), 401(k), 403(b), and 457(b) plans with MissionSquare Retirement, including distributions from Roth and non-Roth accounts in the plans.

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## Roll-In Options Available

**You are receiving this notice because all or a portion of a payment you are receiving from your account is eligible to be rolled into an IRA or an employer plan.** This notice is intended to help you decide whether to do such a roll-in. Please review and consider the information in the notice before you begin withdrawing funds from your account with MissionSquare.

Rules that apply to most payments from a plan are described in the "General Information About Roll-Ins" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

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## General Information About Roll-Ins

### How can a roll-in affect my taxes?

**Non-Roth Assets** – 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 roll-in, 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).

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

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

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

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

Any distribution from a pension-linked emergency savings account (PLESA), if offered by the Plan, is treated as a qualified distribution. Also, for purposes of determining the portion of a PLESA distribution that is attributable to contributions or earnings, the PLESA may be treated as separate from the rest of your designated Roth account.

## What types of retirement accounts and plans may accept my roll-in?

**Non-Roth Assets** – You may roll in 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 roll-in. The rules of the IRA or employer plan that holds the roll-in 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 in will become subject to the tax rules that apply to the IRA or employer plan.

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

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

## How do I do a roll-in?

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

**If you do a direct roll-in**, 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 roll-in.

### If you do not do a direct roll-in:

**Non-Roth Assets** – You may still do a roll-in 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

roll-in, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received). This means that in order to roll in the entire payment in a 60-day roll-in, you must use other funds to make up for the 20% withheld. If you do not roll in the entire amount of the payment, the portion not rolled in 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).

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

- If you do a direct roll-in of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled in consists first of earnings.
- If you do not do a direct roll-in and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property received). This means that in order to roll in the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

## How much may I roll in?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies 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), after age 75 (if you were born after December 31, 1959), or after death;
- Hardship distributions;
- Corrective distributions of contributions that exceed tax law limitations;

- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will 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.

MissionSquare can tell you what portion of a payment is eligible for roll-in.

### **If I don't do a roll-in, will I have to pay the 10% additional income tax on early distributions?**

**Non-Roth Assets** – 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 in, 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 in.

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

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 joint lives or joint life expectancies 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 within one year after the birth or adoption of a child;
- 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 of up to \$5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- 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 that you request to withdraw within 90 days of your first contribution;
- Payments of up to \$22,000 made in connection with federally declared disasters;
- Phased retirement payments made to federal employees;
- Payments for emergency personal expenses up to the lesser of (a) \$1,000 or (b) the excess of your vested benefit over \$1,000;
- Payments to domestic abuse victims up to the lesser of (a) \$10,000 (or such higher amount the IRS announces for years after 2024) or (b) 50% of your vested benefit; and
- Payments made after December 29, 2025, that are used to pay premiums on "certified" long-term care insurance policies up to the least of (a) the amount paid for the coverage, (b) 10% of your vested benefit, or (c) \$2,500 (or such higher amount the IRS announces).

### **If I do a roll-in to a traditional IRA or Roth IRA, will the 10% additional income tax apply to early distributions from the IRA?**

**Non-Roth Assets** – 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.

**Roth Assets** – If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution.

In general, the exceptions to the 10% additional income tax for early distributions from a traditional or Roth IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from a traditional or Roth 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 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 exemptions that apply for payments from an IRA, including: (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, (3) 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 (4) 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.

#### **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 in the payment to an IRA or an employer plan that accepts roll-ins. One difference is that you cannot do a roll-in if the payment is due to an “unforeseeable emergency” and the special rules under “If you were born on or before January 1, 1936,” do not apply.

**Non-Roth Assets** – If the distribution is from non-Roth assets, another difference is that if you do not do a roll-in, 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 roll-in 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 roll-in 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).

**Roth Assets** – If the distribution is from Roth assets, another difference is that if you receive a payment that is not a qualified distribution and you do not roll it in, you will not have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll in, 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 roll-in to an IRA or to an employer plan that is not a governmental Section 457(b) plan, a later distribution that is not a qualified distribution made before age 59½ will be subject to the 10% additional income tax on earnings allocated to the payment (unless an exception applies).

#### **Will I owe state income taxes?**

This notice does not address any state or local income tax rules (including withholding rules).

## **Special Rules and Options**

#### **If your payment includes non-Roth after-tax contributions:**

After-tax contributions included in a payment are not taxed. If you received 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 the payment. In addition, special rules apply when you do a roll-in, as described below.

You may roll in to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day roll-in. 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 roll-in of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion rolled in consists first of the amount that would be taxable if not rolled in. 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 in \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not rolled in is treated as being after-tax contributions. If you do a direct roll-in 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.

If you do a 60-day roll-in to an IRA of only a portion of a payment made to you, the portion rolled in consists first of the amount that would be taxable if not rolled in. 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 in. In this case, if you roll in \$10,000 to an IRA that is not a Roth IRA in a 60-day roll-in, no amount is taxable because the \$2,000 amount not rolled in is treated as being after-tax contributions.

You may roll in to an employer plan all of a payment that includes after-tax contributions, but only through a direct roll-in (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 roll-in 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 in.

### **If you miss the 60-day roll-in deadline:**

Generally, the 60-day roll-in 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 roll-in by the 60-day roll-in deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day roll-in deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

### **If you have an outstanding loan that is being offset:**

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount.

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 roll-in. 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 roll-in.

**Non-Roth Assets** – Any offset amount that is not rolled in will be taxed (including the 10% additional income tax on

early distributions, unless an exception applies). You may roll in 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).

**Roth Assets** – If the distribution attributable to the offset is not a qualified distribution and you do not roll in the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may roll in the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset roll-ins). You may also roll in the full amount of the offset to a Roth IRA.

### **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 is not a qualified distribution from a designated Roth account and that you do not roll in, special rules for calculating the amount of the tax on the payment (for Roth assets, on any earnings taxed) might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

### **If you are an eligible retired public safety officer and your payment (including a nonqualified Roth distribution) 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 (including nonqualified Roth distributions) 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 in your payment of non-Roth assets to a Roth IRA:**

If you roll in a payment of non-Roth assets from the Plan to a Roth IRA a special rule applies under which the amount of the payment rolled in (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 in out of the Roth IRA within the five-year period that begins on January 1 of the year of the roll-in, the 10% additional income tax will apply (unless an exception applies).

If you roll in the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not

be taxed (including earnings after the roll-in). 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 five years. In applying this five-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 roll-in, 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 roll-in from non-Roth assets to a designated Roth account in the same Plan (in-plan Roth conversion):**

You cannot roll in 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 in a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled in (reduced by any after-tax amounts directly rolled in) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled in out of the Roth IRA within the five-year period that begins on January 1 of the year of the roll-in, the 10% additional income tax will apply (unless an exception applies).

If you roll in 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 roll-in). 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 five years. In applying this five-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 roll-in to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the five-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 roll-in, including the 10% additional income tax on early distributions (unless an exception applies). As a Plan participant, 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 in, the distribution generally will be taxed in the same manner described elsewhere in this notice. However, whether the payment is a qualified distribution from a designated Roth account generally depends on when the participant first made a contribution to the designated Roth account in the Plan. Also, the 10% additional income tax on early distributions 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 and receive a payment of non-Roth assets from the Plan,** you have the same roll-in options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a roll-in 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 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), age 73 (if you were born after December 31, 1950, and before January 1, 1960), or after age 75 (if you were born after December 31, 1959).

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 they were born before July 1, 1949), age 72 (if they were born after June 30, 1949, and before January 1, 1951), age 73 (if they were born after December 31, 1950, and before January 1, 1960), or after age 75 (if they were born after December 31, 1959).

**If you are a surviving spouse and receive a payment of Roth assets from the Plan,** 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 roll-in to a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so you will not have to receive any required

minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. You will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½ (if they were born before July 1, 1949), age 72 (if they were born after June 30, 1949, and before January 1, 1951), age 73 (if they were born after December 31, 1950, and before January 1, 1960), or after age 75 (if they were born after December 31, 1959).

**If you are a surviving beneficiary other than a spouse and receive a payment of non-Roth assets from the Plan,** the only roll-in option you have is to do a direct roll-in 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.

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

**Payments under 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 as described in this notice). 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 roll-in 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 roll-in), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

## **Other Special Rules**

If a payment is one in a series of payments for less than 10 years, your choice whether to do a direct roll-in will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (treating Roth and non-Roth assets separately) are less than \$200, the Plan is not required to allow you to do a direct roll-in and is not required to withhold federal income taxes. However, you can do a 60-day roll-in.

Unless you elect otherwise, a mandatory cashout of more than \$1,000 (treating Roth and non-Roth assets separately) will be directly rolled in to an IRA chosen by the Plan administrator or 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 \$7,000 (not including any amounts held under the plan as a result of a prior roll-in made to the plan).

You may have special roll-in rights if you recently served in the U.S. Armed Forces. For more information on special roll-in rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special roll-in 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 roll-in rights related to disaster relief, see the IRS website at [www.irs.gov](http://www.irs.gov).

## **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](http://www.irs.gov), or by calling 1-800-TAX-FORM.

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#### **SUMMARY DESCRIPTION**

This publication provides a summary of the rules governing the payment of funds from your 457 Deferred Compensation Plan. The actual rules governing your benefits are contained in state retirement laws and the federal tax code. This publication is a summary, written in less legalistic terms. It is not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.