Withdrawals from annuity contracts

Allianz Life Insurance Company of New York

If you need to access money from your annuity contract, please consider the following before making any decisions:

- Withdrawals from annuity contracts have tax implications. Consult your tax advisor to ensure you understand the tax impact.
- Any interest or gain that is distributed from the contract will be taxable as ordinary income to you. Distributions from IRAs or 403(b) plans are generally fully taxable to you.
- In addition, if any interest or gain is distributed prior to age 59½, an IRS 10% premature distribution federal additional tax will apply (unless you qualify for an exception to this penalty tax).
- If you are currently taking Required Minimum Distributions (RMD) from your Allianz Life Insurance Company of New York contract, your requested surrender/withdrawal may impact your RMD payments.
- Withdrawals can only be made payable and sent to the contract owner or financial institution for benefit of the contract owner.
- A new withdrawal form is required with each request. Original forms cannot be modified and resubmitted.
- Do not use this form to request RMD payments. Complete the Required Minimum Distribution Election Form instead.
- Depending on the terms of your annuity contract, early withdrawals or surrendering your contract may be subject to withdrawal or surrender charges.
- Certain benefits and guarantees provided by the annuity contract may be lost when a distribution occurs from your contract.
- Review your contract before requesting a distribution to ensure you understand the charges or reductions in benefits that may apply.
- Once a distribution is processed, the taxable event and any federal or state withholding that occurred in the transaction cannot be reversed or changed.

If you have any questions, please call Allianz Life® of NY Client Services at 800.729.9743.

Products are issued by Allianz Life Insurance Company of New York, Home Office: New York, NY.
Administrative Office: 5701 Golden Hills Drive, Minneapolis, MN 55416-1297. 800.729.9743 www.allianzlife.com /newyork

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Allianz Life Insurance Company of New York
Home Office: New York, NY

Administrative Office:
PO Box 59060
Minneapolis, MN 55459-0060

Qualified Disbursement Request Form - 403(b) Withdrawal Request

This form is used to withdraw funds from your 403(b) contract and will be reported on an IRS Form 1099-R unless this is a valid transfer to another 403(b).

Please note:

If you are requesting one of the following withdrawal types, you will need to complete or include a different form as listed below:

- If your only triggering event is financial hardship, do not use this form, but complete the 403(b) Hardship Withdrawal Request Form.
- For required minimum distributions (RMDs), do not use this form, but complete the RMD form instead.
- For annuitization, please include the Settlement for Annuity Benefits form with this one.
- For systematic withdrawal of interest, please also include the appropriate Systematic Withdrawal Request form with this one.

Section A: Contract information

_____
Contract Number

_____ _____ _____
First Name MI Last Name

_____ _____
Tax ID/SSN Daytime phone number

Section B: Types of disbursement

For loans, please see section D. For specific options available, please consult your financial professional or contract.

☐ **Annuitization - Settlement for Annuity Benefits** - please complete this form AND the Settlement for Annuity Benefits form.

☐ **Full surrender** - See your contract for details of withdrawal provisions and any applicable charges. Allianz Life Insurance Company of New York is released, acquitted and discharged from all claims and/or liabilities under this contract, if any, which may exist now or hereafter. The payment represents the full amount due under the contract.

☐ **Free Withdrawal**

- ☐ Maximum free withdrawal (less any tax withholding)
- ☐ Specific dollar amount $_____ (Must be less than the maximum available. Amount will be less any tax withholding. For monthly, provide the monthly amount).

Payment frequency: ☐ Monthly[1] ☐ One-time payment

[1] If you choose the monthly option, and it is not available under the contract, we will send you one free withdrawal check equal to 12 monthly payments or your maximum amount available, whichever is less.

☐ **Partial surrender**

- ☐ Specific net dollar amount $_____

If taxes are withheld, **we will increase the partial surrender amount** so that you will receive the net amount requested.

☐ **Systematic Withdrawal of Interest** - Please complete this form and the appropriate Systematic Withdrawal Request form. Not available for all products. Please contact our administrative office for specific product information.

(continued on next page)

Section C: Disbursement method and triggering event

Disbursement method:

☐ Transfer to another 403(b) - no triggering event required

☐ Direct rollover to (check one) - **"triggering event"** required below

☐ Traditional IRA, SEP IRA, or qualified plan ☐ Roth IRA ☐ SIMPLE IRA (after 2 years of participation)

☐ Send to contract holder - **"triggering event"** required below

If the Disbursement method selected above is **transfer** or **direct rollover**, the **"payable to financial institution for the benefit of the contract owner"** option must be chosen in Section E. The receiving company's Letter of Acceptance along with the transfer paperwork (or their equivalent) must be submitted with this form.

Triggering event:

☐ Attainment of age 59½

☐ Disability

☐ Termination of employment

If your only triggering event is financial hardship, do not use this form, but complete the 403(b) Hardship Withdrawal Request Form.

Section D: Loans

Please consult your financial professional or see your Tax Sheltered Annuity (TSA) endorsement attached to your contract for additional information regarding loans. Interest is charged in advance and calculated to your next contract anniversary. Any unpaid interest will be added to the balance of the loan. The loan must be repaid in equal installments at least quarterly within five years, or 30 years if the loan is for the purchase of a principal residence.

☐ Check the box if the loan is for purchase of a principal residence

If a missed payment is not made up by the next payment's due date, the loan is considered to be in default by the IRS and will be reflected on IRS Form 1099-R for the outstanding balance of the defaulted loan. However, the loan will continue to accrue interest and you will still need to pay off the loan.

Loan amount:

☐ Maximum amount available less advanced interest

☐ Check amount $_____ (Check amount plus advanced interest must be less than the maximum amount available. See your TSA endorsement or your financial professional for advice.)

Repayment options:

☐ Monthly electronic funds transfer (Instructions for repaying a loan through EFT will be sent with the loan check.)

☐ I will send a check quarterly

(continued on next page)

Section E: Select payee information and mailing instructions

☐ **Check payable to contract owner** (to owner(s) address of record)

- ☐ United States Postal Service (no fee)
- ☐ Overnight ($15 fee) (In order to send a check via overnight mail, we must have a physical address. The withdrawal cannot be sent overnight to a PO Box address. Please note, this fee will not expedite processing time.)

☐ **Wire payable to contract owner** ($20 fee - Please note: this fee doesn't expedite processing time.)

Checking Account (Must attach voided check. Ask the receiving bank about their fees, if any.)

- Bank must be a member of ACH.
- Bank account owner must be the same as contract owner.

Please note: If voided check is not sent, a check will be sent to your address of record in place of the wire transmittal.

☐ **Payable to financial institution for the benefit of the contract owner**

To complete a transfer or rollover, include the receiving company's **Letter of Acceptance** and required **transfer paperwork** (or their equivalent) with this form. The request will not be completed without this paperwork.

- Delivered via United States Postal Service (no fee)

Name of financial institution _____ Account number _____

Financial institution phone number _____

Section F: Tax and withholding section

All, or part, of the payment you receive in connection with a distribution may be includable in your gross income for tax purposes, and you are liable for payment of income tax on the taxable portion of your payment. The taxable portion of the distribution is subject to federal (and potentially state) income tax withholding. You also may be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate.

Once the funds are distributed to you, Allianz Life of NY will not reverse any federal or state withholding that is made from your payment. Federal or state tax withholding will not be processed from contracts held by a custodian or qualified plan. Payment(s) that qualify for trustee-to-trustee transfer or direct rollover treatment by Allianz Life of NY are not subject to withholding. Roth IRA distributions are generally nontaxable; therefore, Allianz Life of NY will not withhold tax unless specifically instructed to do so. You may wish to contact your tax professional regarding any questions you may have about taxation or withholding.

Federal Income Tax Withholding

Check one of the two boxes below. If none of the boxes are checked or a valid current year IRS Form W-4R is not attached, I acknowledge that Allianz Life of NY will withhold 20% from the taxable portion of the distribution.

- ☐ I **WANT TO** have federal income tax withheld at the default rate of 20%.
- ☐ I **HAVE** attached a **valid current year IRS Form W-4R indicating a greater withholding election than the above box**. The current year version of Form W-4R can be obtained by visiting the IRS website (www.irs.gov/forms-instructions).

State Income Tax Withholding

I acknowledge that:

Allianz Life of NY is required to withhold at the minimum rate required (which may be 0%) by my state of residence. I must complete and submit separate instructions that meet the requirements of my state's tax authority with this request to make a state withholding election at a rate other than my state's required minimum.

A State Tax Withholding Guide can be found on the Allianz Life of NY website at https://www.allianzlife.com/new-york/tax-statement-frequently-asked-questions#forms or you may also consult your state's tax authority website for more information.

(continued on next page)

Section G: Certification of taxpayer identification number

If you are requesting payments as a U.S. Person, the IRS requires you to agree to the following statements. If you are not a U.S. Person, please complete Form W-8BEN.

Under penalties of perjury, I certify that:

1. The Taxpayer Identification Number shown on this form is correct or I am waiting for a number to be issued to me.
2. I am not subject to backup withholding because:
   a. I am exempt from backup withholding, or
   b. I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or
   c. The IRS has notified me that I am no longer subject to backup withholding.
3. I am a U.S. person, and
4. The Foreign Account Tax Compliance Act (FATCA) code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

☐ Check the box **ONLY** if the IRS has notified you that you are currently subject to backup withholding because you failed to report interest and dividends on your tax return.

Section H: Qualified joint and survivor annuity waiver and spousal consent

See your employer if you have questions regarding the Employee Retirement Income Security Act (ERISA) status of your plan.

If your 403(b) plan **IS NOT** subject to ERISA provisions **proceed to the next section.**

If your 403(b) plan **IS** subject to ERISA provisions **complete the waiver election below.**

Waiver election (Complete **ONLY IF** your 403(b) plan **IS** subject to ERISA)

I certify that:

☐ I am **NOT** married. Please initial _____ and proceed to the next section.

☐ I **am** married and agree to the statements below

- I understand that benefits paid to me are required to be in the form of a qualified joint and survivor annuity unless I waive that form of payment. I hereby elect to waive the qualified joint and survivor annuity form of payment.
- I understand that if I am married, my spouse must also consent to the waiver.

Spousal consent to waiver of qualified joint and survivor annuity (spouse must complete)

I am the spouse of the participant named on page one. I hereby consent to my spouse's selection not to have benefits under his/her plan paid in the form of a qualified joint and survivor annuity. I understand that by consenting to my spouse's waiver, I may be forfeiting benefits I would be entitled to receive when my spouse dies. I also understand that my consent cannot be revoked unless my spouse revokes the above waiver.

_____ _____

Participant's spouse signature Date

_____ _____ _____

Participant's spouse first name (print) M.I. Last name

(continued on next page)

Section I: Signatures (Signature section must be completed. All signatures are required.)

I certify that all information provided by me is true and accurate. No tax advice has been given to me by either my employer or Allianz Life of NY. I expressly assume the responsibility for any adverse consequences which may arise from this distribution and I agree that my employer and Allianz Life of NY shall in no way be responsible for those consequences.

I certify that I have satisfied my 403(b) RMD, if required this year, so that the distribution requested on this form is eligible for rollover.

I have received a copy of the Rollover Notice Regarding Retirement Plan Payments and understand that I have 30 days after the receipt of this Notice to consider my distribution options. I understand that if I wish to make a distribution election before the 30 day period ends, I may waive the time period by making an affirmative distribution election on this form.

I authorize Allianz Life of NY to process the requested distribution. I am aware that this transaction is **NOT** reversible. Once the distribution is processed, the taxable event and any federal or state withholding that occurred cannot be reversed. I am aware that surrender charges may apply and understand the tax consequences of such distribution.

The IRS does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

This form must be received within 60 days of signing.

_____ _____
Contract owner's signature Signed date

Power of attorney:[1] _____ by: _____ _____
Contract owner's name (Printed) Attorney in fact's signature(s) Date

[1] Submit a current copy of power of attorney document if not already on file.

Employer/Plan Administrator

By signing, the employer/administrator of the 403(b) plan is certifying that this disbursement is in compliance with the provisions of the plan.

_____ _____ _____
Employer/Plan Administrator signature Title Signed date

_____
Employer/Plan Administrator daytime phone number

Please submit the form using one of the options below:

Email completed forms to:
fixedannuity@send.allianzlife.com

OR

Web Upload:
You can upload your signed and completed form(s) by logging into your account at Allianzlife.com/newyork

OR

Mail:

Regular Mail
Allianz Life Insurance Company of New York
PO Box 59060
Minneapolis, MN 55459-0060

Overnight Mail
Allianz Life Insurance Company of New York
5701 Golden Hills Drive
Minneapolis, MN 55416-1297

OR

Fax: 763.582.6006

Any questions? Call us at 800.729.9743

Have you moved? Please log in at www.allianzlife.com/newyork or call us to update your address.

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Allianz Life Insurance Company of New York
Home Office: New York, NY

Administrative Office:
PO Box 59060
Minneapolis, MN 55459-0060
Phone: 800.624.0197
Fax: 800.721.2708

Overnight Address:
5701 Golden Hills Drive
Minneapolis, MN 55416-1297

YOUR OPTIONS FOR ELIGIBLE ROLLOVER DISTRIBUTIONS

You are receiving this notice because you are eligible to receive a payment from your Employer's 403(b) Plan (the "Plan") that you can roll over to an IRA or another employer plan. This notice is intended to help you decide whether to roll over the payment (or some portion of it). The 403(b) contract is issued by Allianz Life Insurance Company of New York.

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FOR MORE INFORMATION

GENERAL INFORMATION ABOUT ROLLOVERS

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 is subject to special tax rules). If you also receive a payment from a designated Roth account in the Plan, please notify us since you will need to receive 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 this "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section, including rules if you have after tax contributions.

What can I do with an amount that is eligible for rollover?

When an amount payable (that is, an amount you are eligible to take as a payment from the Plan) is eligible for rollover, you generally may choose some combination of the following:

- Leave it in the Plan, that is, do not take the payment,
- Roll it over into another employer plan,
- Roll it over into an IRA, or
- Take it, don't roll it over, and pay any required taxes.

Whether these options are available to you depends on your circumstances and the terms of the Plan. For example, you may be required to take a payment (and not roll it over) based on your age or if your benefit is below a certain threshold.

How can a payment affect my taxes?

If you don't do a rollover, you will be taxed on a payment from the Plan, and if you are under age 59½, you will also have to pay a 10% additional tax unless an exception applies.

How can a rollover affect my taxes?

If you do a rollover, you will not have to pay tax until you receive payments later.

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 such as a section 401(k) plan, a section 403(b) plan, or a governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that receives 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. For additional information on IRAs, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

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 provider or the administrator of the employer plan for information on how to do a direct rollover.

If you do a 60-day rollover, you will receive a payment from the Plan and then make 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 amount 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 tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

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 joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions;
- Hardship distributions;
- Payments of employee stock ownership plan (ESOP) dividends;
- Corrective distributions of contributions that exceeded 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;
- Distributions used to pay certain premiums for health and accident insurance; and
- Amounts treated as distributed as a result of the purchase of a collectible.

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 tax on distributions before age 59 1/2?

If you are under age 59½, you will have to pay the 10% additional 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 tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you are at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in substantially 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 as a qualified public safety employee in the year of separation, have reached age 50 or 25 years of service under the Plan;
- Payments from a private sector plan made after you separate from service as a private sector firefighter and in the year of separation have reached age 50 or 25 years of service under the Plan;
- Payments made due to disability;
- Payments made 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 from a defined contribution plan that are qualified birth or adoption distributions;
- Payments from a defined contribution plan for purposes of meeting unforeseeable or immediate financial needs relating to personal or family emergency expenses (emergency personal expense distributions);
- Payments to a victim of domestic abuse from a defined contribution plan that isn't subject to the qualified joint survivor annuity or qualified preretirement survivor annuity rules (domestic abuse victim distributions);
- Payments after you receive a certification from a physician that you have a terminal illness (terminal illness distributions);
- Payments that are qualified disaster recovery distributions;
- Payments made from a defined contribution plan that are qualified long term care distributions;
- 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;
- Phased retirement payments made to federal employees; and
- Payments from a pension linked emergency savings account.

For more information about the 10% additional tax and the exceptions to the 10% additional tax, see IRS Publication 575, Pension and Annuity Income, under the heading Tax on Early Distributions. For information on how to claim an exception, see the Instructions for IRS Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax-Favored Accounts.

If I do a rollover to an IRA, will the 10% additional tax apply to a later distribution from the IRA before age 59 ½?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional tax on early distributions on the part of the payment that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional 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 exception for payments from a plan made after you separate from service if you are at least age 55 in the year of the separation (or the earlier of age 50 or attainment of 25 years of service under the Plan for qualified public safety employees) and private sector firefighters) doesn't apply to payments from an IRA;

- The exception for payments made pursuant to a QDRO under a plan doesn't apply to an IRA (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 substantially equal periodic payments from a plan also applies to payments from an IRA but without regard to whether you have had a separation from service.

Also, there are exceptions to the 10% additional tax that do not apply to payments from a plan but that do apply to payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to $10,000 used in a qualified first-time home purchase; and
- Payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

For more general information about the 10% additional tax and the exceptions to the 10% additional tax on payments from an IRA, see the Instructions to IRS Form 5329, Additional Taxes on Qualified Plans (Including IRAs) and Other Tax Favored Accounts. See also, IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), under the heading Early Distributions.

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 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 the 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 rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a payment 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 payment of $12,000, of which $2,000 is after-tax contributions, and no part of the payment 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 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), under the heading Rollovers.

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 (offset amount), typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset, even though you will not receive the offset amount. Generally, you may roll over all or any portion of the offset amount using other funds. Any offset amount that is not rolled over will be taxed (including the 10% additional 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 separate from service. 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 receive a payment and you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum payment 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 you roll over your payment to a SIMPLE IRA

You can only roll over a payment from the Plan to a SIMPLE IRA plan after the end of the 2-year period beginning on the date you first participated in the SIMPLE IRA plan.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA (which, for purposes of this explanation, includes a Roth SIMPLE 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 tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional tax will apply on the amount includable in gross income (unless an exception applies).

If you roll over the payment to a Roth IRA, you won't have to take required minimum distributions from the Roth IRA during your lifetime. 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 tax on early distributions (unless an exception applies).

For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs), and IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

If you are not a Plan participant - this section applies to beneficiaries

Payments after death of the participant. If you receive a payment after the participant's death that you do not roll over, the payment generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional 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 receive a payment and you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA either 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 tax on early distributions (unless an exception applies) and required minimum distributions from your IRA will be based on your age.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional tax on early distributions. However, if the participant had started taking required minimum distributions from the Plan, required minimum distributions must continue to be made from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, distributions from the inherited IRA must begin when the participant would have been required to begin required minimum distributions.

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 tax on early distributions. You will have to take required minimum distributions from the inherited IRA.

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).

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 tax on early distributions.

For more information, see IRS Publication 504, Divorced or Separated Individuals.

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 IRS Form 1040NR, U.S. Nonresident Alien Income Tax Return, and attaching your IRS Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding. See IRS Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals), for claiming that you are entitled to a reduced rate of withholding under an income tax treaty.

For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

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

If your payments for the year are less than $200, not including payments from a designated Roth account in the Plan, the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

You may have the ability to repay certain distributions from your retirement plan. If you took a qualified reservist distribution, a qualified disaster recovery distribution, a qualified birth or adoption distribution, an emergency personal expense distribution, a domestic abuse victim distribution, or a terminal illness distribution, you generally may repay that distribution to an eligible retirement plan within a certain time period. For more information on repayments of qualified reservist distributions, see IRS Publication 3, Armed Forces' Tax Guide. For more information on other repayments, see IRS Publication 575, Pension and Annuity Income, or consult a professional tax advisor.

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.