IMPORTANT INSTRUCTIONS FOR COMPLETING THE QUALIFIED RETIREMENT PLAN DISTRIBUTION FORM

This form is to be used with the following Fiduciary Owned Tax Qualified Plan Types: 401(a) MP, 401(a) PS, 401(a) MP/PS, Section 457 Admin, Section 457, Keogh/HR-10, Corporate Pension 401(k), Termfund, VIP Profit Sharing Plan, 401(a) Trust, Pension and Pension Trust

PLEASE READ CAREFULLY

These instructions are designed to help you complete the Qualified Retirement Plan Distribution Form. If this form is not completed accurately and in its entirety, or you do not provide the required documentation as specified, we will not process your request. As with any decisions regarding your retirement needs, we suggest that you contact a tax or legal advisor.

SECTION 1: OWNER/PLAN INFORMATION

Fill in the requested information. Owner/Plan Federal Tax Identification Number is the tax identification number assigned to the qualified plan, if applicable, or the Owner if the contract is Annuitant owned.

SECTION 2: PARTICIPANT/ANNUITANT INFORMATION

Fill in requested information. Social Security Number is the tax identification number of the participant/annuitant.

SECTION 3: DISTRIBUTION REASON

Choose the appropriate reason for requesting this distribution. Generally a triggering event must occur before a participant is entitled to a distribution from a retirement plan.

Normal Retirement Age: Age specified in the plan documents as age at which participants normally retire for purposes of plan operation.

Disability: Plan may permit distributions as defined by Internal Revenue Code 72(m)(7) - an individual shall be considered to be disabled if he/she is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration. Required supporting documentation must be provided.

Termination of Employment: Status as employee of employer sponsoring qualified plan ceases for any reason other than death.

Plan Termination: Plan which ceases to accrue benefits and has all of its assets distributed.

Hardship: Withdrawals are allowed only if you have an immediate and substantial financial need, and funds from other sources are not reasonably available to you under this or any other Plan, you are required to take those loans and withdrawals first. You must check the reason for which you are requesting a hardship withdrawal.

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<th>REASON</th>
<th>RECOMMENDED DOCUMENTATION FOR YOUR FILES</th>
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| Unreimbursed medical expenses for medical care incurred in the last 12 months or necessary to obtain medical care for; you, your spouse, or your dependents. | • Explanation of Benefits (EOB), and  
• Corresponding bill from the provider,  
• Transportation charges and hotel bills, if applicable. |
| Tuition, related education fees, room, board, and books for the next 12 months of post-secondary education for you, your spouse, or your dependents. | • Itemized tuition bill, and  
• Room, board and book expenses statement provided by the school |
| Purchase of your primary residence. | • Signed purchase contract, or  
• If building, a copy of signed builder’s contract. |
| Prevention of mortgage foreclosure or eviction from your principal residence. | • Copy of foreclosure or eviction notice. |
| Funeral expenses for your spouse, your dependents, your parents or your spouse’s parents. | • Death certificate  
• Statement of relationship to deceased  
• Detailed bill documenting the funeral expenses |
| Unreimbursed repair of catastrophic damage to your principal residence. | • Insurance report |

SECTION 4: DISTRIBUTION INFORMATION

Choose the appropriate method for the payment of the requested distribution.

Lump Sum: Choose either partial or full distribution. If partial, you must specify dollar amount.

Required Minimum Distribution: Joint life expectancy option is only available if your spouse is your sole beneficiary and more than 10 years younger than you. The first distribution may be deferred until April 1 of the calendar year following attainment of age 70½, your required beginning date. If the first distribution is deferred until April 1, a second distribution must be withdrawn by December 31st of the same tax year.
**Qualified Joint and Survivor Annuity:** Benefits will be paid in the form of the Joint and Survivor Annuity unless that payment is waived by the participant and his/her spouse. This is an annuity (1) for the life of the participant, with a survivor annuity for the life of his/her spouse that is not less than one-half of the amount of the annuity payable during the joint lives of the participant and his/her spouse, and (2) that is the actuarial equivalent of a single annuity for the life of the participant. Survivor percentage must be between 50 and 100 percent. If you would like annuitization information that does not qualify under the Qualified Joint and Survivor Annuity, please contact us.

**Direct Rollover of Eligible Rollover Distributions:** Choose if rollover will be to Traditional IRA or another Qualified Plan. An eligible plan under Code section 457(b) is defined as one maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. All taxable amounts are eligible for rollover except the following:

- Required Minimum Distributions
- Hardship distributions
- Amounts paid as part of a series of equal payments that are made at least once a year and will last for a) your lifetime (or life expectancy); b) your lifetime and your beneficiary’s lifetime (or joint life expectancies); or c) a specified or expected period of ten or more years
- Rollover contribution of a nontaxable (after-tax) amount
- Payments made to you as a nonspousal beneficiary

**Other:** Complete this section if requesting a distribution for any other reason including a transfer.

**SECTION 5: PAYEE INFORMATION** If Pay to Plan is chosen, payment will be payable to the name and address under Section 1 of Qualified Plan Distribution Form. If Pay to Participant is chosen, payment will be payable to the name and address under Section 2. Since we will tax report to the participant we will require the Special Tax Notice Waiver Form and the Federal Withholding Election Form. If you choose Pay to Participant, we will require the signatures of the Participant and the Plan Administrator.

**SECTION 6: WITHHOLDING ELECTION** All eligible rollover distributions payable other than to a Plan Fiduciary, will be subject to mandatory 20% Federal Withholding. If you have elected an ineligible rollover distribution (refer to list above), you still need to complete the Federal Withholding Election Form on page 6.

**SECTION 7: WAIVER ELECTION** Participant must sign this section to waive payment in the form of the Joint and Survivor Annuity. Spousal signature is also required with witness of notary public or signature guarantee. If waiver elections are not completed, participant will not be allowed to choose a payment method other than the Joint and Survivor Annuity.

**SECTION 8: SIGNATURES** Authorized Plan Administrator or Owner must complete the form by signing and dating with a current date. Participant/beneficiary must also provide signature and current date.
QUALIFIED RETIREMENT PLAN DISTRIBUTION FORM

1. OWNER/PLAN INFORMATION - THIS SECTION MUST BE FULLY COMPLETED
If a new Home or Mailing Address is provided, we will process it as an address change.

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<th>Policy #</th>
<th>Date (MM/DD/YYYY)</th>
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2. PARTICIPANT/ANNUITANT INFORMATION

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<th>Date of Birth (MM/DD/YYYY)</th>
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<th>Spouse’s Name</th>
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<th>Spouse’s SSN/TIN</th>
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3. DISTRIBUTION REASON - Choose the appropriate reason for requesting this distribution. Generally a triggering event must occur before a participant is entitled to a distribution from a retirement plan.

- Normal Retirement Age
- Disability
- Termination of Employment
- Plan Termination
- Hardship (Choose applicable reason)
  - Unreimbursed medical expenses for medical care in last 12 months
  - Tuition, related educational fees, room, board and books for next 12 months of post-secondary education
  - Purchase of your primary residence
  - Prevention of mortgage foreclosure or eviction from your principal residence
  - Funeral expenses
  - Unreimbursed repair of catastrophic damage to your principal residence
- Other ________________________  See attached paperwork from receiving company

4. DISTRIBUTION INFORMATION – Choose the appropriate method for the payment of the requested distribution.

- Full Surrender
- Partial Withdrawal: Gross Withdrawal $ ___________ or
  Required Minimum Distribution (RMD)*
  Net Withdrawal $ ___________

1 The check may differ from the requested amount due to applicable charges, adjustments or income tax withholding.

2 The check amount will equal the requested amount. The Account Value will be reduced to reflect the amount received, as well as applicable charges, adjustments and income tax withholding.

Please check frequency:  
- One-time

*RMD’s are mandatory upon reaching age 70½. Your RMD amount will be calculated in accordance with IRS regulations using the Uniform Distribution Table provided by the IRS UNLESS you elect the following spousal exception. The Uniform Distribution Table provides a life expectancy factor based on your age and that of a hypothetical individual exactly 10 years younger.
4. DISTRIBUTION INFORMATION CONT’D – Choose the appropriate method for the payment of the requested distribution.

Spousal Joint Life Exception for RMD: You can elect the spousal joint life exception ONLY IF your sole designated beneficiary for the entire distribution calendar year is your spouse who is more than 10 years younger than you. If you elect the spousal joint life exception, your RMD will be calculated based on you and your spouse’s joint life expectancies. If the beneficiary designation on file indicates that you do not qualify for the spousal exception, your RMD amount will be calculated using the Uniform Distribution Table.

Spouse’s Date of Birth: ____________________________

☐ Qualified Joint and Survivor Annuity For the definition of a Qualified Joint and Survivor Annuity, see page 2 of the instructions.

Survivor Percentage _____ % First Payment Date __________

☐ Direct rollover of Eligible Rollover Distribution to:

☐ IRA ☐ Qualified 401(a) Plan ☐ 403(a) Plan ☐ 403(b) Plan ☐ Eligible 457(b) Plan

☐ Other ____________________________________________

Note: Distributions will be processed pro-rata unless specific allocation instructions are attached.

A. ☐ Send the check to the Owner’s address on file.

B. ☐ Send funds to the bank account information already on file.

C. ☐ I elect to have my distribution direct deposited into my:

☒ SAVINGS Account: FOR THIS OPTION, YOU MUST ATTACH A PRE-PRINTED DEPOSIT SLIP SHOWING YOUR ACCOUNT NUMBER. PLEASE ALSO NOTE, YOUR ROUTING NUMBER CANNOT BEGIN WITH A “5”.

Bank Account Number __________________________ Financial Institution __________________________ 9 Digit ABA Routing Number __________________________ City/State/Zip __________________________

☒ CHECKING Account: FOR THIS OPTION, YOU MUST ATTACH A PRE-PRINTED CHECK MARKED “VOID”

Bank Account Number __________________________ Financial Institution __________________________ 9 Digit ABA Routing Number __________________________ City/State/Zip __________________________

Funds will be deposited to your account within three business days of the payment date. For security purposes, a pre-printed voided check is required and MUST contain the name of the Owner. If account information does not match the information, or a pre-printed voided check is not attached, a check will be sent to your address on record.

5. PAYEE INFORMATION

☐ Pay to Plan – Payment directed to name and address under Section 1 or account on behalf of ____________________________.

☐ Pay to Participant/Annuitant – Payment directed to name and address under Section 2. Requires Special Tax Notice Waiver under section 8 signed by Participant/Beneficiary.

☐ Pay to other Trustee or Custodian: ____________________________ (Generally only used by Annuitant owned plans)

6. WITHHOLDING ELECTION

All eligible rollover distributions payable other than to a Plan Fiduciary, are subject to mandatory 20% federal withholding. Please complete the Federal Withholding Election Form on page 6.
8. SIGNATURES

I have read and understand the “Special Tax Notice” provided to me. I hereby request payment from the Qualified Retirement Plan designated above in the manner indicated. If eligible, I waive the notice requirements under Sections 402(f), 417(a)(3) and 411(a)(11) of the Internal Revenue Code and hereby waive the 30 day notice period.

I certify that all information contained in this form or submitted as supporting documentation is accurate. All decisions regarding this distribution are my own. I expressly assume the responsibility for any adverse consequences which may arise from this distribution and agree that the Contract Issuer, Plan Administrator, Plan Sponsor, and any Plan fiduciary shall in no way be responsible for those consequences.

POLICY CERTIFICATION

If my request if for a full surrender and my original policy is not included, I certify it has been lost or destroyed.

Substitute Form W-9 - Under penalties of perjury, I certify that:
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
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 a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person; and
4. I am exempt from FATCA reporting.

The Internal Revenue Service does not require your consent to any provisions of this document other than the certification required to avoid backup withholding.

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<td>Authorized Plan Administrator or Owner Signature</td>
<td>SSN/TIN</td>
<td>Date (MM/DD/YYYY)</td>
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State of ___________________________  County of ___________________________

On this _____________ day of ________________, __________, before me, a notary public, personally appeared ___________________________. And he/she swore that his/her signature was his/her free act and deed, and that he/she understands the consequences of his/her execution of this document.

__________________________
Notary Public

__________________________
My Commission Expires (Date)

SIGN HERE
WITHHOLDING ELECTION FOR NON-PERIODIC ANNUITY DISTRIBUTIONS

Contract #: ..........................  Resident State: ..........................

1. NOTICE OF WITHHOLDING

Even if you elect not to have withholding apply, you are liable for the payment of Federal Income Tax on the taxable portion of the distribution. If you do not make payments of estimated tax, and do not have enough tax withheld, you may be subject to penalties under the estimated tax rules. You may contact us at any time prior to the distribution to change or revoke your election. If the withholding section is left blank, or if your social security number or tax identification number is not provided, 10% of the taxable portion of the distribution will be withheld.

2. FEDERAL WITHHOLDING ELECTION

☐ NO WITHHOLDING - I do NOT want Federal Income Tax withheld. Federal Income Tax will be withheld unless this box is checked or your contract is a Roth IRA. You may not elect out of mandatory federal withholding if you are a Non-Resident alien, U.S. Citizen living abroad, or request an eligible rollover distribution from a plan qualified under Section 401 or 403(b) of the Internal Revenue Code (“Code”).

☐ WITHHOLDING - I want _______% of the taxable portion of my distribution withheld for Federal Income Tax. Minimum withholding is 10% of the taxable amount. You may choose another percentage greater than 10%, but you may not select a dollar amount.

- Distributions from a tax-qualified contract are treated as distributions of gain. Federal Income Tax will be withheld on the entire amount distributed.
- Distributions from a plan qualified under Code Section 401 or 403(b) may be subject to 20% withholding. If you request such a distribution, you will receive a notice outlining the applicable rules.
- If you are not a U.S. Person (including a U.S. resident alien), we are required to withhold 30% of the taxable amount unless we receive a completed IRS Form W-8 validly claiming a reduced withholding rate pursuant to a tax treaty between the U.S. and your country of residence.

Tax Information - Please consult with your tax advisor prior to taking a distribution or surrendering your contract. Distributions taken prior to annuitization are generally considered to come from the earnings in the contract first. Withdrawals of earnings are taxed as ordinary income and, if taken prior to age 59½, may be subject to an additional 10% federal tax penalty. On surrender, you must include in gross income any gain that is distributed from your contract, and this Company must report the income to the Internal Revenue Service. Once you surrender your contract, you cannot offset the reportable income even if you return the unendorsed surrender check to us. The Company generally does not allow reinstatements of surrendered annuity contracts.

3. STATE WITHHOLDING ELECTION

State income tax withholding may be required from your distribution. In some cases, you may elect not to have withholding apply, or you may elect a rate of withholding or flat dollar amount. In other cases, state income tax withholding is not available. If you do not make an election, we will apply withholding (if required) at the minimum rate based on your state of residency as determined by your legal address of record on your account.

While we make every effort to obtain information about state tax laws from sources believed to be reliable, we cannot guarantee the accuracy or timeliness of state tax withholding information because state tax laws are subject to constant change and interpretation. We recommend that you contact your tax advisor regarding your tax withholding elections, and to answer any questions that you may have regarding your state’s withholding laws.

The following states may require their state specific forms or offer options not listed here: AZ, KS, MA, MI, MN, SC, VT.

Choose one:

☐ I do not want state income tax withheld.

☐ I want state income tax withheld at the rate of _______ % (must be at least your state’s minimum tax rate).

☐ I want $____________ state income tax withheld.

4. SIGNATURES (THIS SECTION MUST BE FULLY COMPLETED)

Substitute Form W-9 - Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
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 a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person; and
4. I am exempt from FATCA reporting.

The Internal Revenue Service does not require your consent to any provisions of this document other than the certification required to avoid backup withholding.

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LBL-NP WH (03/15)
You are receiving this notice because all or a portion of a payment you are receiving from Lincoln Benefit Life Company is a distribution from your Section 401(a), Section 403(a) Annuity Plan, Section 403(b) tax sheltered annuity plan, or Section 457 Governmental Plan (the “Plan”) and is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the “General Information About Rollovers” section. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

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

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

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Contributions made under special automatic enrollment rules that are withdrawn pursuant to your request within 90 days of enrollment
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

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

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

If you are under age 59½ you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.
If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

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

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for payments for qualified higher education expenses, payments up to $10,000 used in a qualified first-time home purchase, and payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions:

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

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

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

If you miss the 60-day rollover deadline:

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).
If your payment includes employer stock that you do not roll over:

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant’s death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset:

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

If you were born on or before January 1, 1936:

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

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

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an “unforeseeable emergency” and the special rules under “If your payment includes employer stock that you do not roll over” and “If you were born on or before January 1, 1936” do not apply.

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

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

If you roll over your payment to a Roth IRA:

You can roll over a payment from the Plan made before January 1, 2010 to a Roth IRA only if your modified adjusted gross income is not more than $100,000 for the year the payment is made to you and, if married, you file a joint return. These limitations do not apply to payments made to you from the Plan after 2009. If you wish to roll over the payment to a Roth IRA, but you are not eligible to do a rollover to a Roth IRA until after 2009, you can do a rollover to a traditional IRA and then, after 2009, elect to convert the traditional IRA into a Roth IRA.

If you roll over the payment to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover). For payments from the Plan during 2010 that are rolled over to a Roth IRA, the taxable amount can be spread over a 2-year period starting in 2011.

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

You cannot roll over a payment from the Plan to a designated Roth account in an employer plan.
If you are not a plan participant:

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 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 treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

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

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien:

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

Other special rules:

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

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

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant’s benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces’ Tax Guide.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.