THE UMWA Health and Retirement FUNDS

APPLICATION FOR SURVIVORS' BENEFITS

ALL APPLICATIONS FOR SURVIVORS' BENEFITS SHOULD BE SENT TO:

UMWA Health and Retirement Funds
2121 K Street NW Suite 350
Washington DC 20037-1879
1-800-291-1425
Fax: 202-521-2353
E-mail: Pension@umwafunds.org

THE UMWA Health and Retirement FUNDS

SURVIVORS' BENEFIT APPLICATION

SURVIVING SPOUSE BENEFIT, JOINT AND SURVIVOR ANNUITY, PRE-RETIREMENT SURVIVOR ANNUITY, OR WIDOW'S PENSION

A monthly pension will be paid to the eligible spouse of a deceased mine worker who was eligible for or receiving a pension at the time of death, or to the eligible spouse of a participant who was service-eligible, but not yet old enough to receive a pension and who had completed at least one hour of service on or after August 23, 1984, and died after October 1, 1984.

DEATH BENEFIT

A lump sum death benefit will be paid upon the death of a mine worker who was receiving a pension at the time of his death. No death benefit is payable if the mine worker was receiving a deferred vested pension based on less than twenty years of service or any pension based, in part, upon non-classified service. The Trust Fund that provides the death benefit is determined by the health benefit plan (if any), the pension type the mine worker was receiving and the signatory status of the last coal employer.

1950 PENSIONERS

In general, if the pensioner was receiving health benefits from the *Combined Benefit Fund,* a lump sum death benefit of $5,000 will be paid to the widow or other eligible surviving dependents. If there are no eligible surviving dependents, a lump sum payment of $4,000 will be made to the estate of the pensioner. If the pensioner was not receiving health benefits from the *Combined Benefit Fund*, a death benefit of $5,000 will be paid to the eligible surviving spouse or dependents, or to the pensioner's estate if no such dependent exists.

1974 PENSIONERS

If the pensioner was receiving health benefits from the *Combined Benefit Fund,* a lump sum death benefit will be paid to the beneficiary named by the pensioner. If the named beneficiary is an eligible dependent, the death benefit will be $5,000. The death benefit for any other named beneficiary will be $4,000. If the pensioner was not receiving health benefits from the *Combined Benefit Fund*, a $5,000 death benefit will be paid to the beneficiary named by the pensioner.

HEALTH BENEFITS

If the last signatory employer for whom the pensioner worked is still in business and providing coverage at the time of the pensioner's death, health benefits will be provided by the Employer. Health benefits may be provided to the eligible survivors of a deceased pensioner who retired from a signatory Employer that is no longer in business and meets certain criteria.

A surviving spouse who receives the surviving spouse benefit may continue receiving health benefits unless the surviving spouse remarries. As long as the surviving spouse remains eligible, the pensioner's surviving unmarried dependent children may receive health benefits until they attain the age of twenty-six (for dependents in the *1993 Benefit Plan*) or age twenty-two (for dependents in the *1992 Benefit Plan* and the *Combined Benefit Fund).* In general, if no spouse survives the pensioner, dependent children may receive health benefits for twenty-two months after the pensioner's death or until they attain age twenty-two (*1992 Benefit Plan* and *Combined Benefit Fund)* or age twenty-six (*1993 Benefit Plan),* whichever comes first. Disabled surviving dependent children of all ages may receive health benefits as long as the surviving spouse remains eligible.

If the Funds are providing health benefits coverage at the time of the pensioner's death, such coverage will continue for the eligible surviving spouse and dependents as long as eligibility requirements are met.

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Survivors' Benefits Application Checklist

All applicants must remember to:

- ☐ **Attach a copy of the mine worker's death certificate.**
- ☐ **Attach marriage certificate (if the spouse is applying).**
- ☐ **Attach spouse's birth certificate (if the spouse is applying).**
- ☐ **If applying as a Representative of the Estate, please attach a copy of the paperwork appointing you as such. An EIN is required if applying as executor/administrator. Please complete the Death Benefit Tax Election For Estate or Organization found on page 13.**
- ☐ **If a divorced spouse is applying, attach a copy of the Divorce Decree and any Qualified Domestic Relations Order, if applicable.**
- ☐ **If applying for a death benefit as the Contingent Beneficiary, please attach the death certificate of the primary beneficiary.**
- ☐ **Make sure you sign the application on page 7 when complete, and any other shaded areas that are applicable to you.**

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THE UMWA Health and Retirement FUNDS

Check the type of benefit(s) you are applying for:

❑ DEATH ❑ SURVIVING SPOUSE PENSION (widow/widower)

❑ SURVIVING SPOUSE PENSION (former spouse)

Application for Survivors' Benefits

Please be sure to attach copies of any relevant documents requested in each section of the application below.

Information About the Deceased Mine Worker

Name (First, Middle, Last)			Social Security Number
Address			Date of Birth
City	State	Zip	Date of Death (Attach Death Certificate)

Information About the Applicant

Name (First, Middle, Last)			Social Security Number/EIN
Mailing Address			Area Code and Telephone Number ( )
City	State	Zip	If surviving spouse, how long have you lived at this address?
E-mail Address	Alternate Area Code and Phone Number ( )		Relationship to the Mine Worker

If you are filing as a legal representative of the deceased's estate, attach a copy of the document appointing you to your position.

Surviving Spouse Information *(attach copy of marriage certificate and birth certificate)*

Date of Birth	Date of Marriage	Were you married to the deceased mine worker at the time of death? ❑ YES ❑ NO	If no, how did marriage end? When *(Month, Day, Year)* Where *(Name of City and State)*

Were you living with the deceased mine worker at the time of death? ❑ YES ❑ NO

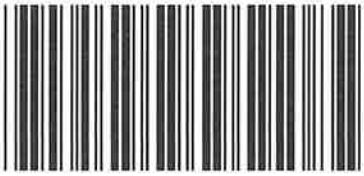
If no, was the mine worker providing financial support? ❑ YES ❑ NO

If you were not living with the mine worker, please explain why.

Are you employed? ❑ YES ❑ NO

If "yes," give the following information:

Name of Employer	Date of Employment	Gross Monthly Earnings



Information About The Deceased's Marriage(s)

Complete this section ONLY if applying for the surviving spouse pension and the deceased had other marriages, including common law marriages. If the pensioner had no other marriages, please write "NONE." Please provide actual dates, if known. If dates are approximate, please circle them. Attach copies of marriage certificates, death certificates, and divorce decrees if available.

Spouse's Name *(Including maiden name)*	Date of marriage *(Month, Day, and Year)*	Location of marriage *(City and State)*
How Marriage Ended ❑ Divorce ❑ Death	When *(Month, Day, and Year)*	Where *(Name of City and State)*
❑ Legal Marriage ❑ Common Law Marriage	Spouse's date of birth *(or age)*	If spouse deceased, give date of death

Spouse's Social Security Number *(If none or unknown, so indicate)* _____

Spouse's Name *(Including maiden name)*	Date of marriage *(Month, Day, and Year)*	Location of marriage *(City and State)*
How Marriage Ended ❑ Divorce ❑ Death	When *(Month, Day, and Year)*	Where *(Name of City and State)*
❑ Legal Marriage ❑ Common Law Marriage	Spouse's date of birth *(or age)*	If spouse deceased, give date of death

Spouse's Social Security Number *(If none or unknown, so indicate)* _____

Spouse's Name *(Including maiden name)*	Date of marriage *(Month, Day, and Year)*	Location of marriage *(City and State)*
How Marriage Ended ❑ Divorce ❑ Death	When *(Month, Day, and Year)*	Where *(Name of City and State)*
❑ Legal Marriage ❑ Common Law Marriage	Spouse's date of birth *(or age)*	If spouse deceased, give date of death

Spouse's Social Security Number *(If none or unknown, so indicate)* _____

If necessary, attach a separate sheet of paper with this same information about any other marriages of the deceased.

Information About Surviving Dependents Other Than Spouse

Name of Dependent	Status (Student, Working, etc.)	Gross Monthly Earnings From Employment	Relationship to Deceased	Social Security Number	Date of Birth	Enrolled in Medicare
						Yes ❑ No ❑
						Yes ❑ No ❑
						Yes ❑ No ❑

If any of the surviving dependents listed above do not live with the surviving spouse, list their names and the names and addresses of the people with whom they live:

Caretaker/Responsible Party Name _____ For (dependent name): _____

Address _____ Telephone Number: ( ) _____

City _____ State Zip _____

E-mail Address: _____ Alternate Phone Number: ( ) _____

Complete this section *only* if you are the Power of Attorney/Legal Guardian

Name (Last, First, Middle) _____ Telephone Number ( ) _____

Address _____ City _____ State _____ Zip _____

If you are filing as the Power of Attorney/Legal Guardian for the applicant, please include a copy of the legal document naming you as such.

Applicant's Certification

I certify that all of the information on this application is true and correct. I understand that if any of the information is false, and that if I then receive benefits because of false information, I shall have to repay the benefits to the Funds. I also understand that if I have deliberately given false information, the Funds may take legal action against me.

_____ _____

APPLICANT'S SIGNATURE **DATE**

Please be sure to sign above to avoid any unnecessary delays in processing. Thank you.

THE UMWA Health and Retirement FUNDS

Federal Income Tax Withholding Election

Applicant:	MW Funds ID:
Step 1: Election	A.___I do not want to have federal income tax withheld from my monthly pension check. B.___I want to have federal income tax withheld from my monthly pension check. For tax purposes I am: ☐ Single or Married filing separately ☐ Married filing jointly or a Qualifying widow(er) ☐ Head of household *(check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)*
Complete Steps 2, 3, and 4 only if they apply to you. Do not complete these steps if you checked Box A in Step 1. Otherwise, skip these and sign the form.	
Step 2: Income From a Job and/or Multiple Pensions/ Annuities (including a spouse's)	Complete this step if you (1) receive income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity. If you (and/or your spouse) have one or more jobs, then enter the total taxable **annual** pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs, less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter "-0-" ▶ $_____ If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total **annual** taxable payments from all lower-paying pensions/annuities. Otherwise, enter "-0-" ▶ $_____
Step 3: Claim Dependents and Other Credits	If your total income will be $200,000 or less ($400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by $2,000 ▶ $_____ Multiply the number of other dependents by $500 ▶ $_____ Add other credits, such as foreign tax credit and education tax credits ▶ $_____
Step 4 (optional): Other Adjustments	(a) **Other income** (not from jobs or pension/annuity payments). If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends. ▶ $_____ (b) **Deductions.** If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the IRS Deductions Worksheet and enter the result here. ▶ $_____ (c) **Extra withholding.** Enter any additional tax you want withheld from **each payment**. ▶ $_____

_____ Signature *(This form is not valid unless you sign it.)*

_____ Date

600000

PENTAXW1

THE UMWA Health and Retirement FUNDS

Enrollment for Pension Payment by Electronic Funds Transfer

I authorize the UMWA Health & Retirement Funds and the financial institution listed below to deposit my pension payment electronically into my account each month. If I am entitled to a death benefit payment, I authorize the Funds to deposit said payment into my account. If monies to which I am not entitled are deposited into my account, I authorize the Funds to direct my financial institution to return said funds. This authority will remain in effect until I have cancelled it in writing.

Name

Financial Institution

Payee Social Security Number

Branch Address

Mine Worker SSN

City, State, Zip

Payee Address: _____

City State Zip

( )

(Area Code) Phone Number

❑ Checking ❑ Savings

(Check one type of account)

Signature

Account Number

Date

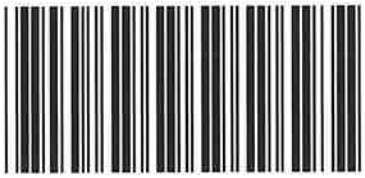
( )

Bank Phone Number

Transit Routing Number (ABA*)

REQUIRED

ATTACH VOIDED PERSONAL CHECK OR DEPOSIT SLIP HERE



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Complete this form only if you are the Estate or an Organization and are applying for a Death Benefit

UMWA Pension Trust
DEATH BENEFIT TAX ELECTION FOR ESTATE OR ORGANIZATION

_____, Deceased Pensioner's SSN:

Name of Individual OR Name of Organization

Address

City, State, Zip

Your Social Security Number or Taxpayer Identification Number

Income Tax Withholding Election

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% below. Generally, you can't choose less than 10% for payments to be delivered outside the United States and its possessions.

Check one:

☐ I elect to have the default withholding rate of **10%** withheld from my benefit payment.

☐ I elect to have **NO** federal income tax withheld from my benefit payment.

☐ I elect to have a nonstandard withholding rate that is between 0% and 100%. The rate I elect is: _____.

I understand that if I elect not to have federal income tax withheld, I am still liable for payment of federal income tax on any taxable portion of my distribution and that regardless of my election, I may still be responsible for estimated tax payments if any amount withheld is not sufficient to meet my federal income tax obligations.

Signature Date

PLEASE RETURN THIS FORM IN THE ENCLOSED ENVELOPE

400000

ESTCOVDB

Complete this form only if you are the Surviving Spouse or another named beneficiary (NOT the Estate or an Organization) and are applying for a Death Benefit. If the pensioner was receiving Combined Benefit Fund Health Benefits, do not complete this form.

Please refer to all the following pages for detailed information concerning your election.

UMWA Pension Trust
DEATH BENEFIT DISTRIBUTION ELECTION FOR INDIVIDUAL PAYEE

_____, Deceased

Funds ID:

A. Name

Social Security Number

Street Address

City, State, Zip Code

B. Income Tax Withholding

I have read the Special Tax Notice Regarding Death Benefit Payments and elect to have my distribution paid as follows: **(PLEASE CHECK ONLY ONE)**

☐ 1. I request that a check for the appropriate death benefit amount be made payable to me and sent to the address shown above. **For an eligible rollover distribution, the default withholding rate is 20%. You can choose a rate greater than 20% by entering the rate below. You may not choose a rate less than 20%.**

☐ I request that the Trust use the default tax withholding rate of 20%.

☐ I request that the Trust withhold at a rate greater than 20%, which is _____.

☐ 2. I request that the Trust transfer some or all of my death benefit payment directly to an individual retirement arrangement or individual retirement annuity (IRA) and that the remainder be made payable to me and subject to tax withholding that the Trust will forward to the Internal Revenue Service. **(If you choose this option, please complete section C below.)**

☐ I request that the Trust transfer the FULL amount of the death benefit payable to me directly to an IRA.

☐ I request that the Trust transfer $_____ as a direct rollover. I understand that the remainder of the distribution that is payable to me is subject to withholding of at least 20%. I elect to withhold at a rate of _____.

Signature **Date**

If you checked box B2 to have a full or partial rollover, you must complete this section of the form.

C. Rollover Information

Name of IRA

Name of Financial Institution

Account Number

Telephone Number of Financial Institution

Street Address

City, State, Zip Code

PLEASE RETURN THIS FORM IN THE ENCLOSED ENVELOPE

3

400000

IRACOV

The following pages apply only to individual named beneficiaries, Surviving Spouses, and Former Spouses (alternate payees under a QDRO*) applying for a Death Benefit

UMWA Pension Trust
DEATH BENEFIT DISTRIBUTION REQUEST

Dear Applicant:

If the deceased mine worker did not have health benefits under the Combined Benefit Fund, you may be eligible for a death benefit payable from the United Mine Workers of America ("UMWA") 1974 Pension Trust. Federal law requires us to withhold federal income tax before the death benefit is paid unless you elect to have the death benefit transferred directly to an individual retirement arrangement ("IRA"). An "IRA" may be either an individual retirement account or an individual retirement annuity. The rollover notice below explains in detail your options regarding payment of the death benefit and the federal income tax consequences of those options. The two choices available to you are summarized below. However, please carefully review the attached materials for additional information and examples. Your tax advisor may also be able to give you advice.

OPTION 1 — DISTRIBUTION PAYMENT DIRECTLY TO YOU.

If you select this option, we will make the check payable directly to you. However, we are required by law to withhold 20% of that check as mandatory federal income tax withholding. The amount withheld will be paid to the Internal Revenue Service ("IRS") and reported on IRS Form 1099-R at the end of the year. Depending on your particular tax situation, you may be able to obtain a tax refund from the IRS for some or all of the amount withheld. However, to obtain any refund that might be due, you must file a federal income tax return for the applicable year.

After you receive the death benefit, you may still decide to "roll over" (transfer) to an IRA all or a portion of the death benefit you receive within 60 days. To do so, you must comply with the requirements described in the rollover notice on the following pages.

OPTION 2 — DIRECT ROLLOVER OF ALL OR A PORTION OF THE DEATH BENEFIT.

If you select this option, you can request that we transfer some or all of the death benefit directly to the trustee of an IRA set up in your name. The trustee of an IRA is usually a bank or other financial institution. The check will be made payable to "[Your Bank], as trustee of the IRA of [Your Name]." If you are a nonspouse beneficiary, the IRA must be set up in your name as beneficiary of the deceased. If you request that the entire death benefit be directly rolled over to an IRA, nothing will be withheld. If you request that only a portion of the death benefit be directly rolled over to an IRA, and a portion paid directly to you, we are required by law to withhold 20% of the amount that is paid directly to you and report the amount withheld to the IRS as discussed in Option 1, above.

* * *

Please consider your options and return the election form included in this application on page 15. You must affirmatively elect the direct rollover option for the death benefit by completing and returning the election form if you want to avoid the 20% mandatory withholding rules. **If you are determined to be eligible for a death benefit and you do not elect a direct rollover within 60 days of the date your application is received, we will automatically distribute your benefits directly to you, less the 20% Federal withholding tax.** Please return this form with your completed death benefit application.

As soon as we receive your properly completed form and application, we will begin processing the death benefit. If you wish to revoke your election you must do so in writing prior to the distribution of the benefit. If you have difficulty filling out the form, please contact the Funds' Call Center at 1-800-291-1425 for assistance.

*Qualified Domestic Relations Order

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the UMWA 1974 Pension Plan (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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

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

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, 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. 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 rollover the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not rollover 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 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
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution and
- 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 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.

The 10% additional income tax does not apply to the following payments from a plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments made due to disability
- Payments after your death
- Corrective distributions of contributions that exceed tax law limitation
- Cost of life insurance paid by the plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year)
- Certain payments made while you are on active duty if you were a member of reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution
- Payments for certain distributions relating to certain federally declared Disasters.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

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

- The exception 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 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments 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).

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 you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver, 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 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 you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. 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).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or

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

If you 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 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). 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).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

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)*; and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

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