

MACHINISTS MONEY PURCHASE PENSION FUND

140 Sylvan Avenue — Suite 303, Englewood Cliffs, New Jersey 07632

Phone: 201-947-8000

Fax: 201-947-9192

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APPLICATION FOR DISTRIBUTION OF BENEFITS

If you wish to receive a distribution of your benefit under the Machinists' Money Purchase Pension Plan, complete the enclosed Application and Election forms. Be certain to have the applicable Sections of the Application notarized and return the application to the Fund Office in the enclosed envelope.

Section 1. All Applicants must complete Section 1.

Section 2. Complete Section 2 if you are not married. Section 2 must be notarized.

Section 3. Complete Section 3 if you are married. Section 3 must be notarized.

Section 4. Complete Section 4 if you are applying for a Lump Sum Distribution of your Annuity Account. Section 4 must be notarized.

Section 5. Spousal Waiver and Consent. If you are married and reject the Qualified Joint and Survivor Annuity and elect a lump sum distribution, installment payments or a Single Life Annuity, your spouse must complete the Waiver and Consent. Your spouse's signature must be notarized.

You should carefully read the attached notices before completing your Application and Election forms:

- Methods of Distribution and Relative Values of Distribution Options. This will provide you with general information on the forms of distribution and their relative values.
- Special Tax Notice. Read the attached Tax Notice carefully before you elect a payment method. You may also want to consult with your tax advisor regarding the information contained in the Notice before making your election. You must return the signed and notarized Acknowledgement with your Application.
- Notice of Right to Defer a Benefit. If you have not reached age 70 ½ (or have not retired), you may defer receipt of benefits under the Plan. You should read the attached Notice of Right to Postpone Distribution before you decide whether to take a distribution now or wait until a later date. You will have no fewer than 30 days to consider whether to defer a benefit and may consider the decision for up to 180 days.

If you have any questions, please contact the Fund Office.

After we receive your Application and required documentation we will process your claim as quickly as possible. We will contact you if we require additional information or documentation.

**MACHINISTS MONEY PURCHASE PENSION PLAN APPLICATION
SECTION 1**

ALL APPLICANTS MUST COMPLETE SECTION 1 AND SIGN BEFORE A NOTARY

PARTICIPANT'S NAME

Last First Middle Initial

SOCIAL SECURITY _____ **DATE OF BIRTH** _____

ADDRESS _____
Street Address

City State Zip Code **TELEPHONE NUMBER** _____

GENDER MALE FEMALE

NAME OF LAST EMPLOYER _____ **LAST DATE WORKED** _____

- MARITAL STATUS (CHECK ONE):**
- MARRIED (ATTACH COPY OF MARRIAGE LICENSE)
 - I CERTIFY THAT I HAVE NOT BEEN PREVIOUSLY MARRIED
 - I CERTIFY THAT THERE IS NO QUALIFIED DOMESTIC RELATIONS ORDER OR ANY OTHER DOCUMENT AWARDING ANY PART OF MY PENSION TO A FORMER SPOUSE(S) OR ANY OTHER PERSON
 - SINGLE
 - DIVORCED (ATTACH COPY OF DIVORCE DECREE/QUALIFIED DOMESTIC RELATIONS ORDER, IF ANY)
 - WIDOWED (ATTACH COPY OF DEATH CERTIFICATE)

SPOUSE'S NAME _____ **SPOUSE'S SOCIAL SECURITY** _____

SPOUSE'S Date of Birth _____ **DATE OF Marriage** _____

MACHINISTS MONEY PURCHASE PENSION PLAN APPLICATION

Section 1 (Continued)

I AM APPLYING FOR A DISTRIBUTION OF MY RETIREMENT BENEFITS FOR THE FOLLOWING REASON (CHECK ONE):

- RETIREMENT SEPARATION FROM SERVICE* WITH ANY CONTRIBUTING EMPLOYER FOR AT LEAST 90 DAYS
- TOTAL DISABILITY DEATH OF PARTICIPANT (ATTACH DEATH CERTIFICATE; COMPLETE SECTION 3A, IF APPLICABLE, AND SECTION 4)

*CONTINUED EMPLOYMENT WITH A FORMER CONTRIBUTING EMPLOYER OR SUCCESSOR IS NOT A SEPARATION FROM SERVICE

I AGREE THAT ELIGIBILITY FOR ANNUITY BENEFITS IS GOVERNED IN ALL RESPECTS BY THE PROVISIONS OF THE PLAN DOCUMENT OF THE MACHINIST MONEY PURCHASE PLAN, AS AMENDED (THE "PLAN") AND THAT THE MAKING OF ANY BENEFIT PAYMENT AND ITS ACCEPTANCE BY ME SHALL NOT PREVENT THE TRUSTEES FROM RECOVERING, OR IN ANY OTHER WAY AFFECT THEIR RIGHT TO RECOVER, ANY PAYMENT TO ME IN EXCESS OF THE AMOUNT TO WHICH I AM ENTITLED UNDER THE PROVISIONS OF THE PLAN, NOR SHALL THE MAKING OF ANY BENEFIT PAYMENTS TO ME OBLIGATE THE TRUSTEES IN ANY WAY TO MAKE ANY FURTHER PAYMENTS IN ANY AMOUNT WHATSOEVER EXCEPT AS THE SAME MAY BE PROVIDED FOR BY THE PLAN.

I HAVE READ AND UNDERSTAND THE DESCRIPTION OF METHODS OF DISTRIBUTION AND NOTICE REGARDING THE RELATIVE VALUES OF THE DISTRIBUTION OPTIONS.

I HAVE READ AND UNDERSTAND THE NOTICE REGARDING MY RIGHT TO POSTPONE DISTRIBUTION OF BENEFITS OR ELECT TO APPLY FOR PENSION AT THIS TIME.

I ACKNOWLEDGE RECEIPT OF THE TAX NOTICE, WHICH I HAVE READ AND UNDERSTAND.

I AGREE TO INDEMNIFY AND HOLD HARMLESS THE PENSION PLAN FROM ANY CLAIM THAT MAY BE MADE BY ANY FORMER SPOUSE(S) OR ANY OTHER PERSON FOR ANY PORTION OF MY ANNUITY BENEFITS AND SHALL BE SOLELY RESPONSIBLE FOR PAYMENT TO ANY FORMER SPOUSE(S) OR OTHER PERSON IF IT IS DETERMINED THAT ANY AMOUNT SHOULD HAVE BEEN PAID TO THEM.

I CERTIFY THAT THE INFORMATION CONTAINED IN THIS APPLICATION AND THE DOCUMENTATION ATTACHED IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT MAKING A FALSE STATEMENT OR SUBMITTING FALSE DOCUMENTATION MAY RESULT IN A REDUCTION IN OR LOSS OF ANNUITY BENEFITS.

MACHINISTS MONEY PURCHASE PENSION PLAN APPLICATION

Section 1 (Continued)

Signature: _____ Dated: _____

SIGNATURE OF PARTICIPANT

(OR SIGNATURE OF BENEFICIARY OF DECEASED PARTICIPANT)

STATE OF _____

COUNTY OF _____

ON THE _____ DAY OF _____ 20____

BEFORE ME PERSONALLY CAME _____ TO ME KNOWN TO BE THE
INDIVIDUAL DESCRIBED IN AND WHO EXECUTED THE FOREGOING APPLICATION, SECTION 1, AND
AFFIRMATION, AND HE OR SHE ACKNOWLEDGED TO ME THAT HE OR SHE EXECUTED THE SAME.

NOTARY PUBLIC _____

COMMISSION EXPIRES _____

MACHINISTS MONEY PURCHASE PENSION PLAN
ELECTION OF DISTRIBUTION METHOD AND AFFIDAVIT OF UNMARRIED PARTICIPANTS SECTION 2
(MUST BE NOTARIZED)

READ CAREFULLY. CHECK ONE BOX, SIGN AND DATE.

THE NORMAL FORM OF NEFIT FOR UNMARRIED PARTICIPANTS IS A STRAIGHT LIFE ANNUITY. THIS IS A MONTHLY BENEFIT PAYABLE FOR THE PARTICIPANT'S LIFE ONLY. THE AMOUNT OF THE MONTHLY BENEFIT IS DETERMINED BY SEVERAL FACTORS: YOUR ANNUITY ACCOUNT BALANCE AT RETIREMENT, YOUR AGE AND LIFE EXPECTANCY AND THE INTEREST RATE USED TO CALCULATE THE STREAM OF MONTHLY PAYMENTS THAT ARE EXPECTED TO BE MADE DURING YOUR LIFETIME. UNDER THIS METHOD, THE FUND WOULD PURCHASE A STRAIGHT LIFE ANNUITY FOR YOU FROM AN INSURANCE COMPANY. THE INSURANCE COMPANY WOULD PAY YOUR MONTHLY BENEFIT.

YOU HAVE THE RIGHT TO REJECT THE STRAIGHT LIFE ANNUITY AND RECEIVE YOUR ANNUITY ACCOUNT IN THE FORM OF A SINGLE LUMP SUM PAYMENT OR MONTHLY INSTALLMENT PAYMENTS. ENCLOSED IS A NOTICE REGARDING THE TAX TREATMENT OF THE VARIOUS FORMS OF PAYMENT.

I REJECT THE STRAIGHT LIFE ANNUITY AND ELECT TO RECEIVE MY ANNUITY BENEFIT IN A LUMP SUM PAYMENT.

PARTICIPANT'S SIGNATURE

DATE

READ CAREFULLY. COMPLETE ONE STATEMENT, SIGN AND DATE. YOUR SIGNATURE MUST BE NOTARIZED.

I, _____, CERTIFY THAT I HAVE NEVER BEEN MARRIED AND FURTHER CERTIFY THAT I HAVE NOT LIVED WITH ANYONE UNDER CIRCUMSTANCES CONSTITUTING A COMMON LAW MARRIAGE IN A STATE THAT RECOGNIZES COMMON LAW MARRIAGE.

PARTICIPANT'S SIGNATURE

DATE

I, _____, CERTIFY THAT I HAVE NOT BEEN MARRIED SINCE _____ AND THAT THE MARRIAGE ENDED BY **DEATH** (ATTACH COPY OF DEATH CERTIFICATE) **DIVORCE** (ATTACH COPY OF QUALIFIED DOMESTIC

PARTICIPANT'S SIGNATURE

DATE

I, _____, CERTIFY THAT I AM UNABLE TO LOCATE MY SPOUSE (ATTACH PROOF OF ANY ATTEMPT(S) THAT HAVE BEEN MADE TO LOCATE SPOUSE).

PARTICIPANT'S SIGNATURE

DATE

I RECOGNIZE THE FUND MAY MAKE INQUIRIES ABOUT MY MARITAL STATUS WITH VARIOUS ORGANIZATIONS AND INDIVIDUALS, AND I AUTHORIZE SUCH ENTITIES TO RELEASE THE REQUESTED INFORMATION TO THE FUND.

STATE OF

COUNTY OF

ON THE _____ DAY OF _____ 20____

BEFORE ME PERSONALLY CAME _____ TO ME KNOWN TO BE THE INDIVIDUAL DESCRIBED IN AND WHO EXECUTED THE FOREGOING ELECTION AND AFFIDAVIT, AND HE OR SHE ACKNOWLEDGED TO ME THAT HE OR SHE EXECUTED SAME.

NOTARY PUBLIC

COMMISSION EXPIRES

MACHINISTS MONEY PURCHASE PENSION PLAN
Election of Distribution Method for Married Participants SECTION 3
(MUST BE NOTARIZED)

READ CAREFULLY. CHECK ONE BOX, SIGN AND DATE.

THE NORMAL FORM OF BENEFIT FOR MARRIED PARTICIPANTS IS A QUALIFIED JOINT AND SURVIVOR ANNUITY. THIS PROVIDES A REDUCED MONTHLY BENEFIT PAYABLE FOR THE PARTICIPANT'S LIFE, WITH 50% OF THAT AMOUNT PAYABLE TO THE PARTICIPANT'S SPOUSE IF SHE SURVIVES THE PARTICIPANT. THE AMOUNT OF THE MONTHLY BENEFIT IS DETERMINED BY SEVERAL FACTORS: YOUR ANNUITY ACCOUNT BALANCE AT RETIREMENT, YOUR AND OUR SPOUSE'S AGE AND LIFE EXPECTANCY AND THE INTEREST RATE USED TO CALCULATE THE STREAM OF MONTHLY PAYMENTS THAT ARE EXPECTED TO BE MADE DURING YOUR AND YOUR SPOUSE'S LIFETIME. UNDER THIS METHOD, THE FUND WOULD PURCHASE A QUALIFIED JOINT AND SURVIVOR ANNUITY FOR YOU FROM AN INSURANCE COMPANY. THE INSURANCE COMPANY WOULD PAY YOUR AND YOUR SPOUSE'S, IF APPLICABLE, MONTHLY BENEFITS.

YOU HAVE THE RIGHT TO REJECT THE QUALIFIED JOINT AND SURVIVOR ANNUITY AND RECEIVE YOUR ANNUITY ACCOUNT IN THE FORM OF A SINGLE LUMP SUM PAYMENT, MONTHLY INSTALLMENT PAYMENTS, A STRAIGHT LIFE ANNUITY, OR A 75% JOINT AND SURVIVOR ANNUITY. YOUR SPOUSE MUST CONSENT TO YOUR REJECTION OF THE QUALIFIED JOINT AND SURVIVOR ANNUITY AND ELECTION OF A SINGLE LUMP SUM PAYMENT, MONTHLY INSTALLMENT PAYMENTS, OR A STRAIGHT LIFE ANNUITY.

- I REJECT THE QJSA AND ELECT TO RECEIVE MY ANNUITY BENEFIT IN THE FORM OF A LUMP SUM PAYMENT.
(COMPLETE SECTION 4. ALSO REQUIRES SPOUSAL CONSENT.)

- I REJECT THE QJSA AND ELECT TO RECEIVE MY ANNUITY BENEFIT IN MONTHLY INSTALLMENT PAYMENTS OVER _____ MONTHS.
(Complete Section 4 IF APPLICABLE. ALSO REQUIRES SPOUSAL CONSENT.)

- I REJECT THE QJSA AND ELECT TO RECEIVE MY ANNUITY BENEFIT IN THE FORM OF A STRAIGHT LIFE ANNUITY.
(REQUIRES SPOUSAL CONSENT.)

- I REJECT THE QJSA AND ELECT TO RECEIVE MY ANNUITY BENEFIT IN THE FORM OF A 75% JOINT AND SURVIVOR ANNUITY. *(DOES NOT REQUIRE SPOUSAL CONSENT.)*

PARTICIPANT'S SIGNATURE

Date

I RECOGNIZE THE FUND MAY MAKE INQUIRIES ABOUT MY MARITAL STATUS WITH VARIOUS ORGANIZATIONS AND INDIVIDUALS, AND I AUTHORIZE SUCH ENTITIES TO RELEASE THE REQUESTED INFORMATION TO THE FUND.

STATE OF _____

COUNTY OF _____

ON THE _____ DAY OF _____ 20____

BEFORE ME PERSONALLY CAME _____ TO ME KNOWN TO BE THE INDIVIDUAL DESCRIBED IN AND WHO EXECUTED THE FOREGOING ELECTION AND AFFIDAVIT, AND HE OR SHE ACKNOWLEDGED TO ME THAT HE OR SHE EXECUTED SAME.

NOTARY PUBLIC

COMMISSION EXPIRES _____

**MACHINISTS MONEY PURCHASE PENSION PLAN
ELECTION FORM FOR ELIGIBLE ROLLOVER DISTRIBUTIONS
SECTION 4 (CONTINUED)**

PART B—DIRECT ROLLOVER ELECTION (CHECK AND INITIAL ONE)

COMPLETE DIRECT ROLLOVER: I HEREBY ELECT A DIRECT ROLLOVER OF MY ENTIRE ELIGIBLE ROLLOVER DISTRIBUTION TO THE IRA OR QUALIFIED PLAN DESCRIBED BELOW.

PARTIAL DIRECT ROLLOVER: I HEREBY ELECT A DIRECT ROLLOVER OF PART OF MY ELIGIBLE ROLLOVER DISTRIBUTION TO THE IRA OR QUALIFIED PLAN DESCRIBED BELOW, IN AN AMOUNT EQUAL TO _____ % OF MY DISTRIBUTION. I UNDERSTAND THAT THE AMOUNT NOT DIRECTLY ROLLED OVER WILL BE SUBJECT TO THE MANDATORY 20% WITHHOLDING AND OTHER RULES AS DESCRIBED IN THE ACCOMPANYING NOTICE.

NO DIRECT ROLLOVER: I HEREBY ELECT TO HAVE MY BENEFIT DISTRIBUTED DIRECTLY TO ME AND DO NOT ELECT A DIRECT ROLLOVER OF MY ELIGIBLE ROLLOVER DISTRIBUTION. I UNDERSTAND THAT THE ENTIRE AMOUNT OF MY ELIGIBLE ROLLOVER DISTRIBUTION WILL BE SUBJECT TO THE MANDATORY 20% WITHHOLDING (WEATHER OR NOT I LATER ROLL IT OVER TO AN IRA OR ANOTHER QUALIFIED PLAN) AND OTHER RULES DESCRIBED IN THE ACCOMPANYING NOTICE.

PART C—INFORMATION REGARDING IRA OR QUALIFIED PLAN TO WHICH DIRECT ROLLOVER IS TO BE MADE

COMPLETE PART C *ONLY IF* YOU HAVE ELECTED TO HAVE ALL OR PART OF YOUR BENEFIT ROLLED OVER DIRECTLY TO AN IRA OR ANOTHER QUALIFIED PLAN. IF YOU HAVE ELECTED TO HAVE THE ENTIRE DISTRIBUTION PAID DIRECTLY TO YOU **PROCEED TO THE ACKNOWLEDGMENT SECTION.**

TYPE OF PLAN TO WHICH ROLLOVER IS TO BE MADE:

CHECK ONE

_____ IRA **OR** _____ QUALIFIED PLAN (CANNOT BE USED BY SPOUSAL BENEFICIARY)

NAME OF IRA OR QUALIFIED PLAN: _____

NAME OF CUSTODIAN OR TRUSTEE OF IRA OR QUALIFIED PLAN: _____

FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN): _____

ACCOUNT NUMBER (IF APPLICABLE): _____

MAILING ADDRESS: _____

CONTACT PERSON FOR IRA OR QUALIFIED PLAN: _____

TELEPHONE No.: _____

I UNDERSTAND THAT PAYMENT WILL BE MADE DIRECTLY TO THE IRA OR QUALIFIED PLAN BY CHECK DELIVERED BY FIRST CLASS MAIL. I CERTIFY THAT THE IRA OR QUALIFIED PLAN NAMED ABOVE WILL ACCEPT ROLLOVER OF MY BENEFIT DISTRIBUTION FROM THE MACHINISTS MONEY PURCHASE PENSION PLAN.

**MACHINISTS MONEY PURCHASE PENSION PLAN
ELECTION FORM FOR ELIGIBLE ROLLOVER DISTRIBUTIONS
SECTION 4 (CONTINUED)**

ACKNOWLEDGMENT SECTION

I HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED THE SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS AND THAT MY NAME, ADDRESS, SOCIAL SECURITY NUMBER AND OTHER INFORMATION THAT I HAVE PROVIDED ON THIS ELECTION FORM FOR ELIGIBLE ROLLOVER DISTRIBUTIONS IS COMPLETE AND ACCURATE. I UNDERSTAND THAT THE FORM AND AMOUNT OF MY DISTRIBUTION TO THE DESIGNATED IRA OR QUALIFIED PLAN SHALL RELEASE THE TRUSTEES OF THE MACHINISTS MONEY PURCHASE PLAN (AND ALL OTHER PENSION TRUST FIDUCIARIES, EMPLOYEES AND AGENTS) FROM ANY FURTHER OBLIGATIONS OR RESPONSIBILITIES ON MY BEHALF UNDER THE PLAN WITH RESPECT TO FUTURE EARNINGS ON OR LOSSES OF THE AMOUNT OF THE BENEFIT DISTRIBUTED TO ME AND/OR DIRECTLY ROLLED OVER TO THE DESIGNATED IRA OR QUALIFIED PLAN AND FROM ANY ADVERSE TAX CONSEQUENCES THAT MAY ARISE IN CONNECTION WITH SUCH DISTRIBUTION.

**PARTICIPANT/S SIGNATURE
(OR SIGNATURE OF BENEFICIARY OF DECEASED
PARTICIPANT)**

Date

I RECOGNIZE THE FUND MAY MAKE INQUIRIES ABOUT MY MARITAL STATUS WITH VARIOUS ORGANIZATIONS AND INDIVIDUALS, AND I AUTHORIZE SUCH ENTITIES TO RELEASE THE REQUESTED INFORMATION TO THE FUND.

STATE OF

COUNTY OF

ON THE DAY OF 20

BEFORE ME PERSONALLY CAME _____ TO ME KNOWN TO BE THE INDIVIDUAL DESCRIBED IN AND WHO EXECUTED THE FOREGOING ELECTION AND AFFIDAVIT, AND HE OR SHE ACKNOWLEDGED TO ME THAT HE OR SHE EXECUTED SAME.

NOTARY PUBLIC

COMMISSION EXPIRES

MACHINISTS MONEY PURCHASE PENSION PLAN

DESCRIPTION OF METHODS OF DISTRIBUTION

QUALIFIED JOINT AND SURVIVOR ANNUITY (QJSA) – MARRIED PARTICIPANTS ONLY

IF YOU ARE MARRIED, THE NORMAL FORM OF BENEFIT IS A QUALIFIED JOINT AND SURVIVOR ANNUITY (QJSA). THIS METHOD OF PAYMENT PROVIDES A MONTHLY BENEFIT TO THE PENSIONER DURING THE PENSIONER'S LIFETIME, WITH 50% OF THAT MONTHLY BENEFIT CONTINUING TO THE SPOUSE FOLLOWING THE PENSIONER'S DEATH IF THE SPOUSE SURVIVES. THE AMOUNT OF THE MONTHLY BENEFIT IS DETERMINED BY SEVERAL FACTORS: YOUR ACCOUNT BALANCE, YOUR AGE AND YOUR SPOUSE'S AGE AT THE TIME YOUR BENEFIT BECOMES PAYABLE AND THE INTEREST RATE USED TO CALCULATE THE STREAM OF MONTHLY PAYMENTS THAT ARE EXPECTED TO BE MADE DURING YOUR LIFETIME AND YOUR SPOUSE'S LIFETIME. YOU MAY RECEIVE AN ESTIMATE OF HOW MUCH YOU MIGHT EXPECT TO RECEIVE MONTHLY UNDER A QJSA BY CONTACTING THE PLAN OFFICE.

YOUR ANNUITY ACCOUNT WILL BE USED TO PURCHASE AN ANNUITY FROM AN INSURANCE COMPANY, WHICH WILL PROVIDE A QJSA UNLESS YOU REJECT THE QJSA IN WRITING AND SELECT ANOTHER METHOD OF DISTRIBUTION AVAILABLE UNDER THE PLAN AND YOUR SPOUSE CONSENTS TO YOUR ELECTION (OTHER THAN AN ELECTION OF A 75% JOINT AND SURVIVOR ANNUITY) IN WRITING BEFORE A NOTARY. IF YOU REJECT THE QJSA WITH YOUR SPOUSE'S WRITTEN CONSENT, YOU MAY ELECT TO RECEIVE YOUR ANNUITY ACCOUNT IN THE FORM OF STRAIGHT LIFE ANNUITY, MONTHLY INSTALLMENT PAYMENTS OR A LUMP SUM DISTRIBUTION, OR YOU MAY ELECT A 75% JOINT AND SURVIVOR ANNUITY.

STRAIGHT LIFE ANNUITY

IF YOU ARE SINGLE OR IF YOU ARE MARRIED AND HAVE REJECTED THE QJSA WITH YOUR SPOUSE'S WRITTEN CONSENT AND ELECTED A STRAIGHT LIFE ANNUITY, YOUR BENEFIT WILL BE PAID TO YOU IN THE FORM OF A STRAIGHT LIFE ANNUITY, WHICH IS A MONTHLY ANNUITY PAYABLE FOR YOUR LIFETIME ONLY. UNDER THE STRAIGHT LIFE ANNUITY METHOD OF PAYMENT, NO BENEFITS ARE PAYABLE TO YOUR SPOUSE OR ANYONE ELSE AFTER THE PENSIONER'S DEATH. THE AMOUNT OF MONTHLY BENEFIT IS DETERMINED BY THREE FACTORS: YOUR ANNUITY ACCOUNT BALANCE, YOUR AGE AT RETIREMENT AND THE INTEREST RATE USED TO CALCULATE THE STREAM OF MONTHLY PAYMENTS THAT ARE EXPECTED TO BE MADE DURING YOUR LIFETIME ONLY. UNDER THIS METHOD, THE FUND WOULD PURCHASE A STRAIGHT LIFE ANNUITY FROM AN INSURANCE COMPANY. THE INSURANCE COMPANY WOULD PAY YOUR MONTHLY BENEFITS. GENERALLY, THE MONTHLY AMOUNT PAYABLE IN THE FORM OF A STRAIGHT LIFE ANNUITY EXCEEDS THAT OF A QJSA, BECAUSE THE STRAIGHT LIFE ANNUITY IS PAID FOR A SHORTER PERIOD – A SINGLE LIFE ONLY. YOU MAY RECEIVE AN ESTIMATE OF HOW MUCH YOU MIGHT EXPECT TO RECEIVE MONTHLY AS A STRAIGHT LIFE ANNUITY BY CONTACTING THE PLAN OFFICE.

IF YOU ARE SINGLE, YOU MAY REJECT THE STRAIGHT LIFE ANNUITY FORM OF PAYMENT AND SELECT A LUMP SUM DISTRIBUTION OR MONTHLY INSTALLMENT PAYMENTS.

75% JOINT AND SURVIVOR ANNUITY (75% J&S)– MARRIED PARTICIPANTS ONLY

THIS METHOD OF PAYMENT PROVIDES A REDUCED MONTHLY BENEFIT TO THE PENSIONER DURING THE PENSIONER'S LIFETIME, WITH 75% OF THAT MONTHLY BENEFIT CONTINUING TO THE SPOUSE IF THE PENSIONER PREDECEASES THE SPOUSE AFTER RETIREMENT. THE AMOUNT OF THE MONTHLY BENEFIT IS DETERMINED BY YOUR ANNUITY ACCOUNT BALANCE, YOUR AGE AND YOUR SPOUSE'S AGE AT YOUR PENSION START DATE AGE AND THE INTEREST RATE USED TO CALCULATE THE STREAM OF MONTHLY PAYMENTS THAT ARE EXPECTED TO BE MADE DURING YOUR LIFETIME AND YOUR SPOUSE'S LIFETIME. THE REDUCTION IN THE PENSIONER'S BENEFIT WILL BE GREATER UNDER THE 75% J&S THAN UNDER THE QJSA BECAUSE THE 75% J&S PROVIDES A GREATER BENEFIT TO THE SPOUSE THAN THE QJSA IF THE PENSIONER DIES BEFORE THE SPOUSE. YOU MAY REJECT THE QJSA AND SELECT THE 75% J&S ANNUITY WITHOUT YOUR SPOUSE'S WRITTEN CONSENT.

AN EXAMPLE OF HOW AN ACCOUNT BALANCE IS CONVERTED INTO AN ANNUITY MAY ASSIST YOU. IF YOU ARE MALE, AGE 65, ARE MARRIED TO A WOMAN WHO IS 60, AND YOU HAVE AN ACCOUNT BALANCE OF \$50,000, YOU MIGHT EXPECT THAT A SINGLE LIFE ANNUITY PURCHASED FROM AN INSURANCE COMPANY COULD PROVIDE A MONTHLY PAYMENT TO YOU FOR YOUR LIFETIME ONLY OF APPROXIMATELY \$350; NO BENEFITS WOULD BE PAYABLE TO YOUR SPOUSE IF YOU PREDECEASE YOUR SPOUSE AFTER YOU RETIRE. IN THE SAME EXAMPLE, YOU MIGHT EXPECT AN ACCOUNT BALANCE OF \$50,000 TO PURCHASE AN ANNUITY WITH A 50% QJSA THAT PROVIDES A MONTHLY BENEFIT TO YOU OF APPROXIMATELY \$310 WHILE YOU ARE STILL ALIVE, WHICH WOULD BE REDUCED TO \$155 FOR THE REMAINDER OF YOUR SPOUSE'S LIFE, ASSUMING SHE SURVIVES YOU. AN ANNUITY WITH A 75% J&S MIGHT PROVIDE A MONTHLY BENEFIT TO YOU OF \$290 WHILE YOU ARE STILL ALIVE, WHICH WOULD BE REDUCED TO \$217 FOR THE BALANCE OF YOUR SPOUSE'S LIFE, ASSUMING SHE SURVIVES YOU. THIS IS MERELY AN ILLUSTRATION BASED ON ASSUMPTIONS THAT MAY OR MAY NOT BE APPLICABLE IN YOUR PARTICULAR CIRCUMSTANCES AT THE TIME YOU APPLY FOR A DISTRIBUTION. YOU MAY REQUEST A MORE PRECISE PROJECTION APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES FROM THE PLAN OFFICE.

MONTHLY INSTALLMENT PAYMENTS

IF YOU ARE SINGLE, OR IF YOU ARE MARRIED AND REJECT THE QJSA WITH YOUR SPOUSE'S WRITTEN CONSENT, YOU MAY ELECT TO RECEIVE YOUR ACCOUNT IN THE FORM OF EQUAL MONTHLY INSTALLMENTS FOR A PERIOD OF NO LESS THAN 12 MONTHS AND NO MORE THAN 120 MONTHS. UNDER THIS METHOD THE AMOUNT OF YOUR MONTHLY PAYMENTS WILL BE DETERMINED AT THE TIME YOUR BENEFIT PAYMENTS COMMENCE BY DIVIDING YOUR ACCOUNT BALANCE BY THE NUMBER OF MONTHS YOU ELECT UP TO A MAXIMUM OF 120 MONTHS. NET EARNINGS, OR LOSSES, OVER THE INSTALLMENT PAYMENT PERIOD WILL BE ADDED, OR DEDUCTED, FROM YOUR FINAL MONTHLY PAYMENT. IF YOU DIE BEFORE RECEIVING A DISTRIBUTION OF YOUR ENTIRE ACCOUNT, ANY REMAINING BALANCE, ADJUSTED FOR NET EARNINGS OR LOSSES, WILL BE PAID TO YOUR DESIGNATED BENEFICIARY IN A LUMP SUM, UNLESS YOUR BENEFICIARY IS YOUR SURVIVING SPOUSE WHO MAY ELECT TO CONTINUE TO RECEIVE THE REMAINING INSTALLMENT PAYMENTS

EXAMPLE. SUZIE JONES REJECTS THE 50% JOINT AND SURVIVOR ANNUITY AND ELECTS TO RECEIVE INSTALLMENT PAYMENTS OVER 5 YEARS (60 MONTHS). HER ACCOUNT BALANCE OF \$15,000 DIVIDED BY 60 RESULTS IN MONTHLY PAYMENTS OF \$250.00 FOR 60 MONTHS. THE FINAL INSTALLMENT PAYMENT TO SUZIE WILL BE INCREASED (OR DECREASED) FOR NET EARNINGS (OR LOSSES) RECEIVED OVER THE 5-YEAR INSTALLMENT PAYMENT PERIOD. IF SUZIE DIES AFTER RECEIVING 55 MONTHLY PAYMENTS, THE REMAINING 5 PAYMENTS, ADJUSTED FOR NET EARNINGS OR LOSSES, WILL BE PAID IN A LUMP SUM TO SUZIE'S BENEFICIARY. IF SUZIE'S BENEFICIARY IS HER SURVIVING SPOUSE, HER SURVIVING SPOUSE MAY ELECT TO CONTINUE TO RECEIVE THE REMAINING 5 INSTALLMENT PAYMENTS INSTEAD OF A LUMP SUM PAYMENT.

LUMP SUM DISTRIBUTION

IF YOU ARE SINGLE, OR IF YOU ARE MARRIED AND REJECT THE QJSA WITH YOUR SPOUSE'S WRITTEN CONSENT, YOU MAY ELECT TO RECEIVE YOUR ANNUITY ACCOUNT IN THE FORM OF A LUMP SUM DISTRIBUTION. UNDER THIS METHOD, THE FUND WOULD DISTRIBUTE YOUR ACCOUNT IN A LUMP SUM, PAYABLE DIRECTLY TO YOU OR AS A ROLLOVER TO AN IRA OR OTHER QUALIFIED PENSION PLAN. ONCE THE LUMP SUM PAYMENT IS MADE NO BENEFITS ARE PAYABLE TO YOUR SPOUSE OR ANY OTHER INDIVIDUAL AFTER THE PENSIONER'S DEATH.

EXAMPLE. JIM SMITH REJECTS THE 50% JOINT AND SURVIVOR ANNUITY AND ELECTS TO RECEIVE A LUMP SUM PAYMENT INSTEAD. HIS WIFE, ROBIN, GIVES HER NOTARIZED CONSENT TO JIM'S REJECTION OF THE QJSA AND ELECTION OF THE LUMP SUM METHOD OF PAYMENT. IF JIM TELLS THE PLAN TO PAY THE LUMP SUM DIRECTLY TO HIM, THE PLAN WILL WITHHOLD 20% OF THE PAYMENT FOR FEDERAL WITHHOLDING TAX AND PAY 80% OF THE ACCOUNT TO JIM. IF JIM DECIDES TO ROLL OVER HIS LUMP SUM TO ANOTHER QUALIFIED PENSION PLAN OR IRA, THE PLAN WILL ROLL OVER 100% OF THE VALUE OF JIM'S ANNUITY ACCOUNT TO THE IRA OR PLAN HE CHOSE. IN EITHER CASE, NO FURTHER PAYMENTS WILL BE PAYABLE FROM THE PLAN TO JIM OR ROBIN.

YOU SHOULD CONSIDER CAREFULLY ANY DECISION TO WAIVE THE QJSA. IN ACCORDANCE WITH APPLICABLE REGULATIONS, YOU WILL HAVE AT LEAST 30 DAYS TO CONSIDER WHETHER OR NOT TO WAIVE THE QJSA AND YOU MAY CONSIDER THE DECISION FOR UP TO 180 DAYS PRIOR TO THE DATE DISTRIBUTION COMMENCES. YOU AND YOUR SPOUSE MAY WAIVE THE 30-DAY PERIOD, BUT BENEFITS WILL NOT START UNTIL 7 DAYS AFTER YOU RECEIVE NOTICE OF YOUR RIGHTS TO WAIVE THE QJSA AND YOU MAY REVOKE ANY ELECTION PRIOR TO EXPIRATION OF THE 7 DAYS, OR IF LATER, THE DATE PAYMENTS COMMENCE.

MACHINISTS MONEY PURCHASE PENSION PLAN

NOTICE OF RIGHT TO POSTPONE DISTRIBUTION

ALTHOUGH YOU HAVE APPLIED FOR A DISTRIBUTION OF YOUR BENEFITS FROM THE MACHINISTS MONEY PURCHASE PENSION FUND, THE LAW REQUIRES THAT WE ADVISE YOU OF YOUR RIGHT TO POSTPONE THE DISTRIBUTION UNTIL A LATER DATE AND WHAT WILL HAPPEN TO YOUR BENEFITS IF YOU DECIDE TO POSTPONE THE DISTRIBUTION TO A LATER DATE.

RIGHT TO POSTPONE. UNDER THE PLAN'S RULES, IF YOUR ACCOUNT BALANCE IS \$5,000 OR MORE, YOU MAY POSTPONE RECEIVING YOUR BENEFITS UNTIL THE APRIL 1ST FOLLOWING THE CALENDAR YEAR YOU REACH AGE 70½. OF COURSE, YOU MAY ELECT TO START RECEIVING YOUR BENEFIT AT ANY TIME BEFORE THAT DATE, PROVIDED YOU MEET THE ELIGIBILITY REQUIREMENTS AS DESCRIBED IN THE SUMMARY PLAN DESCRIPTION FOR THE PLAN.

WHAT HAPPENS TO YOUR PLAN BENEFIT IF YOU POSTPONE YOUR DISTRIBUTION TO A LATER TIME?

IF YOU POSTPONE THE DISTRIBUTION TO A LATER TIME, YOUR ANNUITY ACCOUNT WILL CONTINUE TO BE INVESTED BY THE BOARD OF TRUSTEES IN A VARIETY OF INVESTMENTS INTENDED TO BOTH PROTECT AND GROW YOUR BENEFITS. YOUR ANNUITY ACCOUNT WILL CONTINUE TO BE ADJUSTED FOR INVESTMENT GAINS OR LOSSES ON THE ASSETS HELD IN THE ANNUITY PORTION OF THE PLAN AND FOR ANY ADMINISTRATIVE EXPENSES ALLOCATED TO ACCOUNT BALANCES. AS A RESULT, IF YOU POSTPONE THE DISTRIBUTION TO A LATER DATE THE AMOUNT OF YOUR BENEFIT COULD BE MORE OR LESS THAN IF YOU TAKE A DISTRIBUTION NOW DEPENDING ON THE INVESTMENT PERFORMANCE.

THE INVESTMENT VEHICLES USED BY THE TRUSTEES MAY NOT BE GENERALLY AVAILABLE ON SIMILAR TERMS OUTSIDE OF THE PLAN AND FEES AND EXPENSES (INCLUDING ADMINISTRATIVE OR INVESTMENT-RELATED FEES) OUTSIDE OF THE PLAN MAY BE DIFFERENT FROM THE FEES AND EXPENSES APPLICABLE TO PARTICIPANT ACCOUNTS UNDER THE PLAN. YOU CAN CONTACT THE PLAN OFFICE FOR INFORMATION RELATING TO THE PLAN'S CURRENT INVESTMENTS AND FEES. IF YOU ARE ELECTING A LUMP SUM, YOU SHOULD TALK TO THE FINANCIAL INSTITUTION OR OTHER PROVIDER YOU PLAN TO UTILIZE FOR INFORMATION RELATING TO ITS INVESTMENT OPTIONS AND FEES.

UNDER A QUALIFIED JOINT AND SURVIVOR FORM OF BENEFIT A DECISION TO DEFER DISTRIBUTION WILL RESULT IN A LARGER MONTHLY PAYMENT, BECAUSE BENEFITS WILL BE PAID OVER A SHORTER PERIOD. CONVERSELY, AN EARLIER COMMENCEMENT OF DISTRIBUTION WILL RESULT GENERALLY IN SMALLER MONTHLY PAYMENTS, BECAUSE BENEFITS ARE PAID OVER A LONGER PERIOD.

ONCE YOU BEGIN RECEIVING BENEFITS UNDER THE PLAN, THE AMOUNT YOU RECEIVE IS TAXABLE. IF YOU ELECT TO TAKE AN IMMEDIATE LUMP SUM DISTRIBUTION AND DO NOT ROLL IT TO AN IRA OR ANOTHER QUALIFIED PLAN, YOU WILL HAVE TO PAY TAX ON THE AMOUNT DISTRIBUTED TO YOU. IN ADDITION, IF YOU ARE UNDER AGE 59 ½, YOU MAY HAVE TO PAY AN ADDITIONAL 10% PREMATURE DISTRIBUTION TAX ON THE AMOUNT OF THE DISTRIBUTION UNLESS YOUR BENEFIT IS PAID IN THE FORM OF AN ANNUITY (SEE THE SPECIAL TAX NOTICE). YOU WILL ALSO LOSE THE ABILITY TO EARN INTEREST ON YOUR ACCOUNT ON A TAX-DEFERRED BASIS.

MACHINISTS MONEY PURCHASE PENSION PLAN

Relative Values of Distribution Options

IRS REGULATIONS REQUIRE PLANS, SUCH AS OURS, TO GIVE RETIRING PARTICIPANTS A COMPARISON OF THE RELATIVE VALUES OF THE BENEFIT PAYMENT OPTIONS GENERALLY AVAILABLE TO THEM. THE GOAL IS TO HELP INDIVIDUALS MAKE INFORMED CHOICES ABOUT THE FORM IN WHICH THEY RECEIVE THEIR RETIREMENT BENEFITS.

WHAT IS RELATIVE VALUE?

RELATIVE VALUE MEANS THE ACTUARIAL PRESENT VALUE OF EACH OPTIONAL FORM OF PAYMENT COMPARED TO THE ACTUARIAL PRESENT VALUE OF THE NORMAL FORM OF PAYMENT UNDER A PLAN. ACTUARIAL VALUES OF BENEFITS ARE DETERMINED USING MORTALITY ASSUMPTIONS, WHICH PROJECT AVERAGE LIFE EXPECTANCIES, AND INTEREST RATE ASSUMPTIONS, WHICH ESTIMATE THE LIKELY INVESTMENT EARNINGS, OVER TIME, OF THE MONEY PUT ASIDE TO PAY BENEFITS. THIS IS IMPORTANT IN THE DETERMINATION OF ACTUARIAL VALUE BECAUSE INVESTMENT EARNINGS PROVIDE SOME OF THE MONEY USED TO PAY BENEFITS.

WHAT ARE THE RELATIVE VALUES UNDER OUR PLAN?

UNDER THE PLAN, THE NORMAL FORMS OF PAYMENT ARE THE:

- 50% JOINT AND SURVIVOR ANNUITY FOR MARRIED PARTICIPANTS; AND
- SINGLE LIFE ANNUITY FOR SINGLE PARTICIPANTS.

THE OPTIONAL FORMS OF PAYMENT COVERED BY THIS COMPARISON ARE THE:

- SINGLE LIFE ANNUITY FOR MARRIED PARTICIPANTS;
- 75% JOINT AND SURVIVOR ANNUITY FOR MARRIED PARTICIPANTS.
- LUMP SUM DISTRIBUTION FOR ALL PARTICIPANTS

IN GENERAL, OPTIONAL FORMS OF PAYMENT AVAILABLE UNDER THE PLAN HAVE APPROXIMATELY THE SAME ACTUARIAL PRESENT VALUE AS THE NORMAL FORM. [THIS IS TRUE FOR PARTICIPANTS RETIRING BETWEEN AGES 60 AND 65 WITH A SPOUSE UP TO 20 YEARS YOUNGER OR OLDER [AND FOR DISABLED PARTICIPANTS RETIRING BETWEEN AGES 35 AND 65 WITH A SPOUSE UP TO 5 YEARS YOUNGER OR OLDER.] ???

HOW WAS THIS DETERMINED?

THE VALUATION AND REPORTING METHODOLOGIES USED WERE BASED ON IRS REGULATIONS, WHICH CAN BE FOUND IN TREASURY REGULATIONS SECTION 1.417(A)(3)-1. THESE METHODOLOGIES ARE FAIRLY TECHNICAL AND CAN BE DIFFICULT TO UNDERSTAND. HOWEVER, IRS REGULATIONS REQUIRE THAT WE PROVIDE THIS INFORMATION TO YOU.

WHAT DOES THIS MEAN TO ME?

AS WE SAID EARLIER, BASICALLY, THIS MEANS THAT THE OPTIONAL FORMS OF PAYMENT PROVIDED BY THE PLAN HAVE RELATIVELY THE SAME VALUE AS THE NORMAL FORM OF PAYMENT UNDER OUR PLAN. HOWEVER, IT IS IMPORTANT THAT YOU REALIZE THAT THIS IS NOT A GUARANTEE OR EVEN A PREDICTION OF WHAT YOU WILL ACTUALLY BE ELIGIBLE TO RECEIVE WHEN YOU RETIRE. THE ACTUAL VALUE OF THE DIFFERENT FORMS OF PAYMENT WILL VARY DEPENDING ON HOW LONG THE INDIVIDUAL AND SPOUSE IN FACT LIVE AND ON THEIR AGES WHEN PAYMENTS START.

HOW DO I GET ADDITIONAL INFORMATION?

UPON YOUR WRITTEN REQUEST, YOU WILL BE PROVIDED WITH THE RELATIVE VALUES, BASED ON YOUR OWN AGE AND ESTIMATED BENEFITS, BETWEEN YOUR NORMAL FORM OF PAYMENT AND ON ANY OTHER FORMS OF PAYMENT FOR WHICH YOU ARE ELIGIBLE. WE WILL ALSO PROVIDE YOU WITH THE DETAILS OF THE ACTUARIAL ASSUMPTIONS USED TO MAKE THE COMPARISON. YOU MAY WANT TO CONSULT A FINANCIAL ADVISOR WHEN YOU ARE NEARING RETIREMENT TO DETERMINE WHAT IS RIGHT FOR YOU.

TO OBTAIN AN INDIVIDUAL RELATIVE VALUES ESTIMATE, PLEASE SEND A WRITTEN REQUEST TO MACHINIST MONEY PURCHASE PENSION FUND, 140 SYLVAN AVENUE, SUITE 303, ENGLEWOOD CLIFFS, NJ 07632.

Machinists Money Purchase Pension Plan

SPECIAL TAX NOTICE REGARDING YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of the lump sum payment you are receiving from the Machinists Money Purchase Pension Fund (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

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

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

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

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

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

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, IRAs are not subject to spousal consent rules, and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

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

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

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

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death;
- Corrective distributions of contributions that exceed tax law limitations;

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

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

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

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

Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Payments made due to disability;
- Payments after your death;
- Corrective distributions of contributions that exceed tax law limitations;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days; and
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and 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); and
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;

- Payments up to \$10,000 used in a qualified first-time home purchase; 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).

Will I owe State income taxes?

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

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If you have an outstanding loan that is being offset

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

Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

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

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the

payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

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

If you 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 generally will be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the deceased participant was born on or before January 1, 1936.

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

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½. (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

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 the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

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

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

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of

withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

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.

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 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)*; 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.