



## REQUEST FOR DISTRIBUTION INSTRUCTIONS

### DISTRIBUTIONS FROM THE PLAN

Generally, participants may not take a distribution from the Plan until a distributable event occurs. The events vary depending on the type of Plan and the provisions of the Plan Document. Typically, the occurrence of a distributable event does not mean that the Plan Administrator will automatically pay out a participant's vested accrued balance. In fact, except for certain limited circumstances, a Plan Administrator may not pay out a participant's vested accrued balance without the consent of the participant and the participant's spouse.

There are four basic distributable events: Termination of Employment, Death of a Participant, Permanent Disability and Retirement. There are other circumstances in which money can be withdrawn from a Plan. When allowed by the Plan, participants may request a distribution of employee voluntary after-tax contributions or a distribution for financial hardship reasons, attainment of a specified age (generally 59½ or later) or the Plan's early retirement age.

Penalties and applicable federal tax withholding will apply to distributions and mandatory state withholding may also apply.

### NOTICE

Participants must be given at least 30 days to consider their distribution options. The participant may elect (with applicable spousal consent) to begin distributions before 30 days have elapsed, as long as the distribution begins more than 7 days after the explanation of benefits was provided. If 180 days passes from when the participant signed the election form and when the distribution is being processed, the participant must submit a new election form.

If the participant does not respond within a reasonable amount of time, depending on the election made in the Plan Document for involuntary cash-outs, one of the following rules may apply:

- Vested Account Balances of \$1,000 or Less: The Plan may automatically request a lump sum distribution be paid to the participant or a rollover to an IRA that is chosen by the Plan Administrator.
- Vested Account Balance greater than \$1,000 but less than \$5,000: The Plan may automatically rollover the participants vested account balance to an IRA chosen by the Plan Administrator.
- Vested Account Balances of \$5,000 or more: The participant must consent to the distribution.
- No Mandatory Distribution: The participant must consent to the distribution regardless of the vested account balance.

### PLAN ADMINISTRATOR PROCEDURE

The distribution process for the Plan Administrator begins by forwarding all the necessary distribution information to the participant for completion. (Please see the Request for Distribution Checklist for a detailed list.)

Upon receipt of the completed paperwork and distribution processing fee from the participant, review the form to verify that the participant fully completed their sections of the form and complete the following Plan Administrator sections of the Request for Distribution Form:

- **SECTION 1: DISTRIBUTION PROCESSING FEE**

Complete this section prior to the participant receiving the form.

- **SECTION 5: VESTING**

- **SECTION 6: ADDITIONAL CONTRIBUTIONS**

This section is used for contributions that have been deducted from the participant's pay or are due to the participant's account that have not yet been forwarded to the investment manager. If there are additional contributions that need to be included in the calculation of the participant's Vested Account Balance, list them in this section. The Employer will be billed for all additional distributions required for a participant due to the failure of the Plan Administrator to complete this section accurately and completely.

- **SECTION 11: REQUIRED SIGNATURES**

The form must be signed by the Plan Administrator and the participant. In addition, if the participant is married and the Plan has annuity provisions, the participant's spouse must sign the form. The spouse's signature must be witnessed by the Plan Administrator or a Notary Public.

After reviewing the form and completing the necessary sections, the form, processing fee (if applicable) and any applicable rollover paperwork mail it to The Retirement Advantage, Inc. for processing.

**PAPERWORK TO KEEP ON FILE:**

It is the responsibility of the Plan Administrator to keep proper documentation for all distributions. Many Plan Administrators choose to maintain distribution files by keeping a copy of the original distribution form, a copy of the distribution check and any correspondence regarding the distribution.

**For death distributions**, the Plan Administrator and The Retirement Advantage, Inc. will each need a certified copy of the death certificate and the beneficiary designation form. These items along with the completed Request for Distribution Form need to be forwarded to The Retirement Advantage, Inc.

**For permanent disability distributions**, the participant must be unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months. The Plan Administrator will need documentation of the disability from the attending physician. This documentation needs to be forwarded to The Retirement Advantage, Inc. as well.

**For hardship withdrawals**, the Plan Administrator will need proper documentation to support the financial need. This should **not** be forwarded to The Retirement Advantage, Inc.

**NOTE:**

If you have any questions concerning a participant distribution, contact The Retirement Advantage, Inc. before the distribution is initiated. Failure to follow the proper procedures could result in adverse tax consequences for the participant and possible tax disqualification or penalties for the Plan.

<b>PARTICIPANT PROCEDURE</b>
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Review the Special Tax Notice and complete the following participant sections of the Request for Distribution Form:

- **PARTICIPANT INFORMATION**

- **Citizenship** – for Nonresident Aliens please provide a Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for U.S Tax Withholding) with an original signature as documentation of your foreign tax status. Without valid tax documentation it may be required to withhold taxes at the maximum nonresident alien (NRA) withholding rate of 30%. You may obtain a Form W-8BEN by downloading the form from the IRS website a [www.irs.gov](http://www.irs.gov).

- **SECTION 1: DISTRIBUTION PROCESSING FEE**

Indicate the type of payment that will be made.

- **SECTION 2: REASON FOR WITHDRAWAL**

Indicate the reason for the distribution from the Plan. Not all Plans allow for in-service withdrawals, and the availability of the option selected will be verified with the Plan Document.

- **SECTION 3: ALTERNATE PAYEE OR BENEFICIARY INFORMATION**

Complete this section only if you are an alternate payee requesting a withdrawal pursuant to the terms of a Qualified Domestic Relations Order or if you are a beneficiary requesting a withdrawal due to the death of a participant. In the case of a distribution pursuant to a Qualified Domestic Relations Order, funds will only be available for withdrawal if the Plan Administrator determines that the Domestic Relations Order is qualified and if the order contains provisions for the withdrawal.

- **SECTION 4: WITHDRAWAL ELECTION**

Complete this section only if you are requesting a hardship (see "Hardship Withdrawal Restrictions" section of this form), pre-retirement withdrawal or after-tax distribution.

- **SECTION 7: BENEFIT ELECTION**

When requesting a distribution, you have several options regarding the payment of the distribution. Please review the Special Tax Notice included with these instructions for an explanation of the tax consequences of your benefit election. For all complete distributions, the distribution will be calculated from the participant's entire Vested Account Balance as of the date of the withdrawal. If the participant has a Plan loan when the distribution paperwork is received by The Retirement Advantage, Inc., the loan balance will be considered a

taxable portion of the distribution, and the loan obligation will be completely satisfied. For the remaining Vested Account Balance, you have the following choices:

- **Paid to Me** – If you are electing a hardship withdrawal, this is your only option. Any portion of the payment that qualifies as an eligible rollover distribution is required by law to have 20% withheld and forwarded to the IRS as income tax withholding. However, for Vested Account Balances of less than \$200, there will not be a 20% deduction from the distribution for income tax withholding, even though the distribution may qualify as an eligible rollover distribution.
- **Paid to Me and Direct Rollover** – You must indicate the amount of the distribution that should be made as a “Paid to Me” distribution. The remainder will be made as a “Direct Rollover” distribution to an Individual Retirement Account (IRA) or qualified Plan. The direct rollover amount must be for at least \$500.
- **Direct Rollover** – The portion that qualifies as an eligible rollover distribution will be made in the form of a direct rollover to the Individual Retirement Account (IRA) or qualified Plan as indicated on the Request for Distribution Form. If the participant’s Vested Account Balance is less than \$200 and this election is made, The Retirement Advantage, Inc. will handle this distribution as a “Paid to Me” election. Any portion of the distribution that is not an eligible rollover distribution will be paid to you. Please do not forward your IRA set-up forms to TRA as it is not our policy to forward the form onto the IRA institution.
- **SECTION 8: ELECTRONIC FUND TRANSFERS**  
Electronic fund transfers are only allowed for plans with Guardian of amounts greater than \$5,000, Hartford, ING, John Hancock and Nationwide. If you have assets with one of these investment managers and you want your funds electronically transferred, complete this section. In addition, you will need to submit a copy of a voided check. If this section is not fully completed, a check will be issued. Please note that mandatory federal and state withholding applies to EFT’s.
- **SECTION 9: BENEFIT ELECTION FOR NON-SPOUSAL BENEFICIARY**  
Rollovers into an Inherited IRA must be a direct Trustee to Trustee transfer.
- **SECTION 10: PLAN LIFE INSURANCE ELECTION**  
Complete this section for all distributions. If life insurance is not an option in the Plan, please select “not applicable” and indicate the reason. If the participant has life insurance in the Plan, indicate how the policy is to be handled.
- **SECTION 11: REQUIRED SIGNATURES**  
The form must be signed by the participant, and if the participant is married, the participant’s spouse must also sign the form. The spouse’s signature must be witnessed by the Plan Administrator or a Notary Public.

## HARDSHIP WITHDRAWAL RESTRICTIONS

Hardship withdrawals are subject to the approval of the Plan Administrator based on the documentation submitted with the withdrawal request. For 403(b) Plans, withdrawals from a participant’s deferral account will not include any gains after January 1, 1989. By signing the application for a hardship withdrawal, the participant is agreeing that:

1. The reason for the hardship is one of the Internal Revenue Service safe harbor expenditures listed on The Retirement Advantage, Inc. Request for Distribution Form;
2. The distribution is requested on account of an immediate and heavy financial need (even if foreseeable or voluntarily incurred) and the amount requested is necessary to satisfy the need;
3. The distribution is not in excess of the amount of the need (the amount may include federal, state, or local income taxes or penalties reasonably anticipated to result from this distribution);
4. The participant will provide the Plan Administrator with the proper documentation to support the need for the hardship withdrawal as well as the amount being requested.
5. If the participant has a Plan loan, after-tax loan payments through payroll deduction will continue until the loan obligation is satisfied.

## QUALIFIED JOINT AND SURVIVOR ANNUITY BENEFITS

If the Plan contains annuity provisions, the participant's distribution must be made in the form of an annuity unless the participant elects to receive the benefit in an alternate form. If the participant is married, the participant's spouse must consent to the election.

If you are married, the qualified annuity benefit is a joint and survivor annuity. A joint and survivor annuity is a level monthly payment for your life and, if your spouse survives you, a level monthly payment for your spouse equal to the percentage you elect of the monthly amount payable during your joint lives.

If you are not married, the qualified annuity benefit is a life annuity. A life annuity is a level monthly payment for your lifetime, with the monthly payments stopping upon your death.

These payments are guaranteed for your lifetime and, if you are married, your spouse's lifetime.

The qualified annuity benefit will be satisfied by using your Vested Account Balance to purchase an annuity contract from an insurance company. The contract will be distributed to you as evidence of your right to receive the annuity payments from the insurance company. The actual level monthly payments made under the annuity contract will depend on the annuity purchase rates used by the insurance company, your age and, if you are married, your spouse's age at the time the distribution begins, and the amount of your Vested Account Balance at the time the annuity contract is purchased. Your account will be charged for the cost incurred incident to the purchase of the annuity contract.

To determine the approximate level monthly payments you will receive under the qualified annuity benefit as of the proposed distribution date, divide your Vested Account Balance by the annuity factor below which most closely approximates your situation. Determine your age and your spouse's age (if you are married) as of the birth date nearest the proposed distribution date. If none of the examples closely approximates your situation, you may obtain a more accurate factor from the Plan Administrator. The Plan Administrator, upon request, will provide a more precise calculation.

**Annuity Factor Table**

Married Participant's Age	Spouse's Age	Annuity Factor	Unmarried Participant's Age	Annuity Factor
50	45	165.14	50	153.16
50	50	162.90	52	148.45
50	55	160.77	54	143.49
55	50	154.65	55	140.93
55	55	151.88	57	135.59
55	60	149.29	59	130.02
60	55	142.40	60	127.15
60	60	139.06	61	124.23
60	65	136.00	62	121.26
65	60	128.50	63	118.25
65	65	124.59	64	115.21
65	70	121.16	65	112.14
70	65	113.43	66	109.07
70	70	109.09	68	102.91
70	75	105.32	70	96.69

**Note:** We have based these annuity factors on the UP - 1984 mortality tables, assuming a 6% interest rate. The insurance company from which the Trustee purchases the annuity contract may use different factors. Different factors will produce a different monthly payment.

The quotient of your annuity factor divided into your Vested Account Balance represents the approximate monthly payment you will receive during your lifetime if you elect to commence distribution on the proposed distribution date. If you are married, one-half of the quotient represents the approximate monthly payment your spouse will receive after your death, if your spouse survives you. For example, if you and your spouse both are 65 and your Vested Account Balance is \$10,000, your approximate monthly payment is \$80.26 [ $\$10,000/124.59$ ] and, if your spouse survives you, the approximate monthly payment to your surviving spouse is \$40.13. If you are unmarried, age 65, and your nonforfeitable account balance is \$10,000, your approximate lifetime monthly payment is \$89.17 [ $\$10,000/112.14$ ]. **These approximate monthly payments are only estimates. The Plan Administrator, upon request, will provide a more precise calculation.**

## PROCESSING

Upon receipt of the completed Request for Distribution form and processing fee (if applicable), The Retirement Advantage, Inc. will review the form and request the distribution from the investment manager. The participant will receive a check from the investment manager or Employer, and an IRS Form 1099-R will be mailed to the participant at the address listed on the distribution form by January 31st of the year following the distribution. Processing time may vary; however, the participant will normally receive the distribution within 30 days after The Retirement Advantage, Inc. receives **completed** distribution paperwork.