ICMARC ROLLOVER OUT OF ICMA-RC FORM

Submit this form to request a direct rollover from a 457 or 401 plan account with ICMA-RC to an eligible retirement account with another provider. To rollover your account to a Vantagepoint IRA, please contact ICMA-RC at 800-669-7400 or visit www.icmarc.org/forms to obtain the Transfer to Vantagepoint IRA form. Please follow the steps shown below to ensure we are able to process your request in a timely manner.

Step 1: **Review the instructions, the Additional Information section and the *Special Tax Notice Regarding Plan Payments.***

Step 2: **Complete the *Rollover Out of ICMA-RC Form.*** If you have more than one account you wish to roll-over, submit a separate form for each account.

Step 3: **Is this your first distribution request following separation from service?** If so, your former employer must sign the form to confirm you are eligible to withdraw money. Failure to obtain the required employer signature could delay the processing of your withdrawal request.

Step 4: **Fax or mail the completed form to ICMA-RC.**

Fax: ICMA-RC
ATTN: Workflow Management Team
202-682-6439

Mail: ICMA-RC
ATTN: Workflow Management Team
P.O. Box 96220
Washington, DC 20090-6220

Please keep a copy of the completed form for your records.

TIME FRAME FOR PAYMENTS

Following the receipt of your properly completed rollover form, payments will be distributed as soon as possible (typically within three business days).

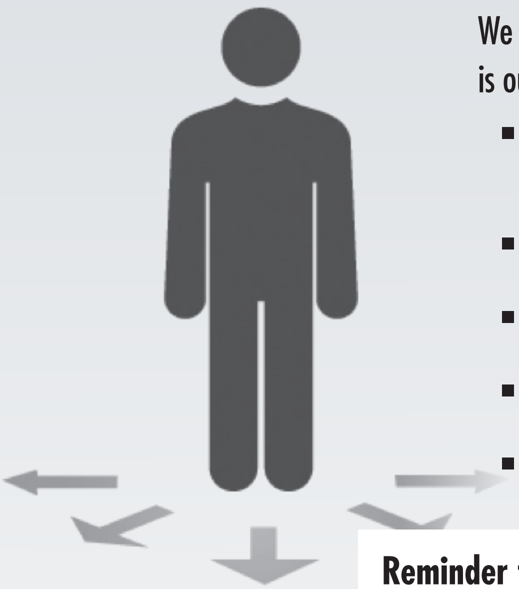
At ICMA-RC, we take security of our participants retirement assets seriously. We have stringent security measures in place and we continuously apply enhancements to safe guard your assets.

Additional precautions are taken when processing withdrawal requests. Adding new or, changing existing information on file with ICMA-RC will result in verification of the entry which may delay your withdrawal.

Thank you for saving your retirement assets with ICMA-RC. If you have separated from service with the plan sponsor, you are eligible to withdraw funds from your account at any time, but you are generally not required to take withdrawals until after you attain age 70½. You can continue to receive tax advantages and ICMA-RC services throughout your working and retirement years.

KNOW YOUR OPTIONS

Learn more about the benefits of maintaining your account with ICMA-RC.



We are an independent, non-profit corporation. Serving the public sector is our sole mission.

- No-cost consultations with your ICMA-RC Retirement Plans Specialist and Certified Financial Planner™
- Payout options as flexible as the law allows
- Wide range of investment options that help you diversify and simplify
- Financial plans for step-by-step guidance
- Roth and Traditional IRAs

Reminder for your 457 plan assets if under age 59½ — there is no early withdrawal penalty tax for 457 plan contributions and associated earnings, but if you transfer to another type of retirement account, you lose that automatic exemption.

ICMA-RC will continue to work for you!

You get second opinions all the time. Decisions you make about your personal finances should be no different.

Let us know how we can help you!

Contact Investor Services at 800-669-7400 or your ICMA-RC representative.

AC: 19973-0114-7093-119

ROLLOVER OUT OF ICMA-RC FORM | PAGE 1 OF 2

1. Submit this form to request a rollover out of a 457 or 401 plan account with ICMA-RC.
2. Review the form instructions and the *Special Tax Notice Regarding Plan Payments* before you submit them.

1 PARTICIPANT/ACCOUNT INFORMATION

Provide the below information to identify yourself and the account you wish to transfer.

Plan Number: ___ ___ ___ ___ ___ ___ Plan Name: ____________________

Account Type: ☐ 457 plan ☐ 401 plan Your Preferred Phone Number (___ ___ ___) ___ ___ ___ – ___ ___ ___ ___

Full Name of Participant: ____________________
LAST FIRST M.I.

Social Security Number: ___ ___ ___ – ___ ___ – ___ ___ ___ ___ Date of Birth: *(mm/dd/yyyy):* ___ ___ / ___ ___ / ___ ___ ___ ___

Email Address: ____________________

Mailing Address Street: ____________________

City: ____________________ State: ___ ___ Zip Code: ___ ___ ___ ___ ___ – ___ ___ ___ ___

2 TRANSFER AMOUNT

☐ Total Amount Balance (100%) *or* ☐ Partial Transfer of ______ % *or* $ ________________

3 ELIGIBILITY – EMPLOYMENT STATUS

Following separation from service with the plan sponsor, you are eligible to withdraw/rollover funds from your account at any time. You may also be eligible to withdraw/rollover funds while you are still employed in some cases. **Please select option 1 or 2 below related to your eligibility to withdraw/rollover funds from your account.**

1. ☐ No longer employed by the plan sponsor
2. ☐ Rollover while still employed. Select a, b, c, or d below as applicable. *(Not available in all plans.)*
   a. ☐ Age eligible – 70½ *(401 and 457 plans)*
   b. ☐ Age eligible – 59½ or Normal Retirement Age *(401 plans only)*
   c. ☐ After-Tax Contribution Amount *(401 plans only)*
   d. ☐ Rollover Account – Select this option if you rolled-over assets from a previous employer's retirement plan or IRA to your account and wish to withdraw those assets *(401 and 457 plans)*

4 RECIPIENT ACCOUNT INFORMATION

Check one box only and provide the information for the plan that will receive the transfer/rollover.

☐ 457 plan ☐ 401 plan ☐ 403(b) plan ☐ Traditional IRA ☐ Roth IRA

☐ Vantagepoint IRA with ICMA-RC (Please contact ICMA-RC and request the *Transfer to Vantagepoint IRA* Form)

Name of Administrator/Trustee/Custodian of Recipient Plan or IRA: ____________________

Name of Eligible Employer Plan (if applicable): ____________________

Phone Number of Administrator/Trustee/Custodian: ____________________

Address of Administrator/Trustee/Custodian: ____________________

City: ____________________ State: _____ Zip Code: ____________ – ________

Account Number: ____________________

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Plan Number:__ __ __ __ __ __ Social Security Number:__ __ __ – __ __ – __ __ __ __

5 AFTER-TAX ASSETS: ROTH & OTHER

If your account includes both pre-tax and Roth or other after-tax assets, you can elect to have the Roth/after-tax portion of any distribution 1) paid to you, 2) rolled-over to the same account as your pre-tax assets, or 3) rolled-over to a different account.

If applicable, please select your desired option below

☐ Send after-tax assets to the **same account** specified in section 4 above. *(Default option)*

☐ Pay to me. Send after-tax assets to my home address.

☐ Send after-tax assets to the account specified below. (Please provide the recipient account information below if you intend to have after-tax assets sent to an account that differs from the one specified in section 4.)

☐ 457 plan ☐ 401 plan ☐ 403(b) plan ☐ Traditional IRA ☐ Roth IRA

☐ Vantagepoint IRA with ICMA-RC (Contact ICMA-RC and request the *Transfer to Vantagepoint IRA* Form)

Name of Administrator/Trustee/Custodian of Recipient Plan or IRA: ____________________

Name of Eligible Employer Plan (if applicable): ____________________

Phone Number of Administrator/Trustee/Custodian: ____________________

Address of Administrator/Trustee/Custodian: ____________________

City: ____________________ State: _____ Zip Code: __________ – _______

Account Number: ____________________

6 PARTICIPANT SIGNATURE

I acknowledge I have received and read the Additional Information section of this form and the *Special Tax Notice Regarding Plan Payments*. I direct ICMA-RC to process the direct rollover requested above. As required by law, and under the penalty of perjury, I certify that the Social Security Number (Taxpayer Identification Number) I provided is correct.

Signature: ____________________ Date *(mm/dd/yyyy)* : __ __ / __ __ / __ __ __ __

8 PLAN SPONSOR/EMPLOYER AUTHORIZATION

By signing, the employer confirms the participant is eligible to transfer assets from the account specified in section 2 above. A signature is not required if you have already notified ICMA-RC of the participant's last day of employment (if applicable) or if the participant satisfies the criteria for a rollover while still employed.

Participant's Last Day of Employment (if applicable) *(mm/dd/yyyy)* : __ __ / __ __ / __ __ __ __

Vesting Status (if applicable): ______ %

Employer Signature: ____________________ Date *(mm/dd/yyyy)* : __ __ / __ __ / __ __ __ __

Name *(Please Print)*: ____________________ Title: ____________________

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ADDITIONAL INFORMATION

Tax Withholding

No taxes are withheld from distributions that are transferred directly to another eligible retirement plan.

IRS Required Minimum Distributions (RMDs)

After you reach age 70½ or separate from service (whichever is later), you will be required to withdraw at least a minimum amount from your account each year.

RMD amounts are not eligible rollover distributions and will be paid out to you if you transfer your account balance to an eligible plan with another provider.

Vesting (401 Plans)

Your ownership of employer contributions in your account is determined by your plan's vesting schedule. Following your separation from service, if you withdraw/rollover your entire account balance, you will forfeit any employer contributions to your account for which you are not yet vested. The forfeited amounts are returned to the plan sponsor.

After-Tax Split Distributions

If your rollover includes both pre-tax and after-tax assets, you may request to "split" your distribution into two parts; sending pre-tax amounts to one account and after-tax amounts to another account. To accomplish this, you will need to provide details for the account that will receive the pre-tax assets in section 4 of the form and details for the account that will receive the after-tax assets in section 5.

If no option is selected in section 5, any Roth or after-tax assets will be sent to the same account indicated in section 4.

Vantagepoint IRA – If you intend to rollover the pre-tax or after-tax portion of your account to a Vantagepoint IRA, you will need to also submit a *Transfer to Vantagepoint IRA* form. Please contact ICMA-RC at 800-669-7400 or visit www.icmarc.org/forms to obtain the form.

Roth Assets

If your rollover includes Roth assets, the receiving plan must be a Roth IRA or a retirement plan with a Roth deferral feature (e.g., 457/401(k)/403(b) plans which allow Roth deferrals). You should give careful consideration to how Roth assets are withdrawn, and be aware of the impact a rollover to a Roth IRA may have on when you are eligible for tax-free withdrawals of Roth assets.

VT Retirement IncomeAdvantage Fund

If your plan offers the VT Retirement IncomeAdvantage Fund (the Fund), any assets you have invested in the Fund will be excluded from your rollover request. If you would like to initiate withdrawals from the Fund, please contact ICMA-RC for the appropriate withdrawal forms.

You can transfer assets from the Fund to other investment options available in your plan if you would like to have them distributed with your withdrawal request. However, you should be aware that withdrawals from the Fund prior to Lock-In proportionately reduce guaranteed values.

After Lock-In, Excess Withdrawals will proportionately reduce and potentially terminate available guarantees. For additional information, please review the *VT Retirement IncomeAdvantage Fund Important Considerations* document.

Qualified Joint and Survivor Annuity (Applies to Some 401 Plans Only)

If you are a married participant withdrawing assets from a 401 plan where the employer has selected the Qualified Joint and Survivor Annuity as the default form of payment, you and your spouse must also complete the Waiver of Qualified Joint and Survivor Annuity Form. This form is available online or by contacting ICMA-RC.

VantageBroker

If your plan offers VantageBroker, any assets you have invested in VantageBroker will be excluded from your rollover request. In order to withdraw/rollover funds currently invested in your brokerage account, you must first transfer the assets back to your core account at ICMA-RC. You can liquidate assets in your brokerage account and transfer the assets back to your core account online. Settlement of the sale of investments held in your brokerage account may take up to three business days.

Special Tax Notice Regarding Plan Payments

This notice applies to distributions from 401(a), 401(k), and 457(b) plans with ICMA-RC, including distributions from Roth and non-Roth accounts in the plans (e.g., after-tax, pre-tax).

ROLLOVER OPTIONS AVAILABLE

You are receiving this notice because all or a portion of a payment from your account 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. Please review and consider the information in the notice before you begin withdrawing funds from your account with ICMA-RC.

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

What is a rollover?

A rollover is a payment from your employer sponsored retirement plan that is transferred to another eligible employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) or IRA (an individual retirement account or individual retirement annuity). Assets that are rolled over to another eligible plan or Traditional IRA are not taxed until they are later withdrawn from the receiving plan.

How can a rollover affect my taxes?

- **Pre-Tax Assets** – You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).
- **Roth Assets** – After-tax contributions included in a payment from a designated Roth account are not taxed, but earnings might be taxed. The tax treatment of earnings included in the payment depends on whether the payment is a qualified distribution. If a payment is only part of your designated Roth account, the payment will include an allocable portion of the earnings in your designated Roth account.

  If the payment from the Plan is not a qualified distribution and you do not do a rollover to a Roth IRA or a designated Roth account in an employer plan, you will be taxed on the earnings in the payment. If you are under age 59½, a 10% additional income tax on early distributions will also apply to the earnings (unless an exception applies). However, if you do a rollover, you will not have to pay taxes currently on the earnings and you will not have to pay taxes later on payments that are qualified distributions.

  If the payment from the Plan is a qualified distribution, you will not be taxed on any part of the payment even if you do not do a rollover. If you do a rollover, you will not be taxed on the amount you roll over and any earnings on the amount you roll over will not be taxed if paid later in a qualified distribution.

  A qualified distribution from a designated Roth account in the Plan is a payment made after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying the 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you did a direct rollover to a designated Roth account in the Plan from a designated Roth account in another employer plan, your participation will count from January 1 of the year your first contribution was made to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the other employer plan.

Where may I roll over the payment?

- **Pre-Tax Assets** – 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.
- **Roth Assets** – You may roll over the payment to either a Roth IRA (a Roth individual retirement account or Roth individual retirement annuity) or a designated Roth account in an employer plan that will accept the rollover (e.g., 457(b), 401(k), and 403(b) plans that allow Roth contributions). The rules of the Roth IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the Roth IRA or employer plan (for example, no spousal consent rules apply to Roth IRAs and Roth IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the Roth IRA or the designated Roth account in the employer plan. In general, these tax rules are similar to those described elsewhere in this notice, but differences include:
  - If you do a rollover to a Roth IRA, all of your Roth IRAs will be considered for purposes of determining whether you have satisfied the 5-year rule (counting from January 1 of the year for which your first contribution was made to any of your Roth IRAs).
  - If you do a rollover to a Roth IRA, you will not be required to take a distribution from the Roth IRA during your lifetime and you must keep track of the aggregate amount of the after-tax contributions in all of your Roth IRAs (in order to determine your taxable income for later Roth IRA payments that are not qualified distributions).
  - Eligible rollover distributions from a Roth IRA can only be rolled over to another Roth IRA.

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,

- **Pre-Tax Assets** – You may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property actually received). 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).
- **Roth Assets** – You may still do a rollover by making a deposit within 60 days into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

  If you do a direct rollover of only a portion of the amount paid from the Plan and a portion is paid to you at the same time, the portion directly rolled over consists first of earnings.

  If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property actually received). This means that, in order to roll over the entire payment in a 60-day rollover to a Roth IRA, you must use other funds to make up for the 20% withheld.

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
- 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

ICMA-RC 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 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 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 limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- 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 (401(k) plans only)
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

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

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

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (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).

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

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

Will I owe State income taxes?

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

SPECIAL RULES AND OPTIONS

If your payment includes non-Roth after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA, no amount is taxable because the $2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

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

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-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 amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan. In the case of a nonqualified distribution of Roth assets, the preceding sentence applies to the earnings.

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 (for Roth assets, on any earnings taxed) might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

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

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

If you roll over your payment of non-Roth assets 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 do a rollover from non-Roth assets to a designated Roth account in the same Plan (in-plan Roth conversion)

If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account 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).

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.

  Pre-Tax Assets. 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.

  Roth Assets. A Roth IRA you treat as your own is treated like any other Roth IRA of yours, so that you will not have to receive any required minimum distributions during your lifetime and earnings paid to you in a nonqualified distribution before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies).

  If you treat the Roth IRA as an inherited Roth IRA, payments from the Roth IRA will not be subject to the 10% additional income tax on early distributions. An inherited Roth IRA is subject to required minimum distributions. If the participant had started taking required minimum distributions from the Plan, you will have to receive required minimum distributions from the inherited Roth IRA. If the participant had not started taking required minimum distributions, you will not have to start receiving required minimum distributions from the inherited Roth IRA until the year the participant would have been age 70½.

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

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

If you are a nonresident alien

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

Other special rules

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

If your payments for the year (treating Roth and non-Roth assets separately) are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than $1,000 If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (treating Roth and non-Roth assets separately) are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you can do a 60-day rollover.

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

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

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-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.

SUMMARY DESCRIPTION

This publication provides a summary of the rules governing the payment of funds from your governmental 457 or 401 plan account with ICMA-RC. The actual rules governing your benefits are contained in state retirement laws and the federal tax code. This publication is a summary, written in less legalistic terms. It is not a complete description of the law. If there are any conflicts between what is written in this publication and what is contained in the law, the applicable law will govern.

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