Please read and follow all instructions carefully. Incomplete paperwork may cause delays or prevent your request from being processed.

Critical information to consider:

- The Hardship Withdrawal Request Form contained in this document is generic. Paperwork is not specific to your plan.

- Hardship distributions are not allowed from all plans. Please review your Adoption Agreement or contact your Third Party Administrator to verify whether your plan allows Hardship distributions.

- A plan trustee must review forms returned by participants to ensure all required fields are properly completed.

- The participant's elective contributions and employee contributions must be suspended for at least six (6) months after receiving a Hardship distribution. Payroll should be notified to stop withholding elective contributions and employee contributions from the participant's paycheck for the next six months.

- All distribution checks are delivered to the plan trustee. The trustee should retain a copy for the plan’s records before distributing to the participant. Should you require a check to be delivered to another institution or directly to the participant, the trustee’s signature must be medallion signature guaranteed by a bank or brokerage firm. A notary public stamp is not acceptable.

- All distributions of $50,000 or more must be medallion signature guaranteed by a bank or brokerage firm. A notary public stamp is not acceptable.

- Please contact your Third Party Administrator with questions regarding distributions. If you need help completing the form, then contact Prime Plan Solutions at 888-445-0031, Monday through Friday from 8:30 AM to 6:00 PM Eastern Time or send an e-mail to primeplansolutions@dstsystems.com.

Hardship Withdrawal Instructions

Participant Hardship distributions are only available from pre-tax salary deferrals, excluding earnings. Roth deferrals, employer contributions, rollovers, or profit sharing contributions cannot be used for a Hardship distribution.

If the plan allows loans, the participant must consider taking a loan first before requesting a Hardship. A loan is not required if the loan repayments would only increase the participant's financial hardship.

When a participant requests a Hardship from a 401(k) plan, the trustee should complete the steps outlined below.

1. Copy the following forms:

   - HARDSHIP WITHDRAWAL REQUEST FORM;
   - SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

2. Provide both documents listed above to the participant. The participant should complete the Hardship Withdrawal Request Form and return it to the trustee.

3. Complete the plan trustee section of the Hardship Withdrawal Request Form. Retain original paperwork in the plan's files. A copy of the completed request may be faxed to Prime Plan Solutions at 816-218-0079 or mailed to:

   Prime Plan Solutions
   P.O. Box 219162
   Kansas City, MO 64121-9162

4. Prime Plan Solutions will process the Hardship distribution and send a check (payable to the participant) directly to the plan trustee, for delivery to the participant. If the check is to be sent directly to the participant's address, please indicate this on the Hardship Withdrawal Request Form and have the trustee's signature medallion signature guaranteed by a bank or brokerage firm. A notary public stamp is not acceptable.

5. All requests ***must*** be medallion signature guaranteed if they exceed $50,000 or if the check is being mailed to any address other than the plan's address of record. A medallion signature guarantee for the trustee may be obtained from a brokerage firm or bank.

6. The participant's elective contributions and employee contributions must be suspended for at least six (6) months after receiving a Hardship distribution. Notify Payroll to stop withholding elective contributions and employee contributions from the participant's paycheck for the next six months.

Paperwork containing a medallion signature guarantee cannot be faxed; the original form is required.

Hardship Withdrawal Request Form

Plan Name: ____ Plan Number: __________

Participant: ____________________________________ Last 4 digits of SSN#: _________

Hardship withdrawal amount: $____________
(Only allowed to withdraw pre-tax salary deferrals)

Participants can request a Hardship withdrawal if payment is used to cover the following:

- Expenses for medical care previously incurred by the participant, participant's spouse, designated primary beneficiary, or dependent; or necessary for the participant, participant's spouse, primary beneficiary, or dependent to obtain medical care;
- Costs directly related to the purchase of the participant's principal residence (excluding mortgage payments);
- Payment of tuition, related educational fees, or room and board expenses for the next twelve (12) months of post-secondary education for the participant, participant's spouse, primary beneficiary, or dependent;
- Payment necessary to prevent eviction or foreclosure on the mortgage of the participant's principal residence;
- Burial or funeral expenses for the participant's deceased parent, spouse, children, primary beneficiary, or other dependents;
- Expenses for the repair of damage to the participant's principal residence that would qualify for the casualty deduction under the Internal Revenue Code.

Check ONE:

❑ Withhold federal income tax of _______%

❑ Do not withhold federal income tax

Having determined the reason for requesting a Hardship distribution satisfies one or more of the conditions above, I understand that I must also confirm I have no other resources available to me to meet this Hardship. In order to do so, I hereby certify that:

- The distribution will not be in excess of my immediate financial need;
- I have previously obtained all distributions and non-taxable loans available under all retirement plans maintained by the Employer;
- The Hardship distribution is not eligible for rollover; and
- My salary deferrals and employee contributions will be suspended for at least six (6) months after I receive the Hardship distribution.

Participant Name (print): ________________________________ Date: ___________

Participant Signature: __________________________________

Hardship Withdrawal Request Form (continued)

Information below to be completed by the plan trustee:

As plan trustee, I certify that I have:

- Obtained verification that the employee named above has met the requirements for an eligible Hardship withdrawal and confirmed the participant does not have other resources available to satisfy the Hardship distribution.
- Provided the participant named above with a copy of the Special Tax Notice Regarding Plan Payments.

Please check the below box to certify you are aware of the suspension rule pertaining to Hardship distributions. Neglecting to check this box may cause a delay in processing the Hardship withdrawal.

☐ **As trustee, I understand the participant's elective contributions and employee contributions must be suspended for at least six (6) months after receiving a Hardship distribution. I will notify Payroll to stop withholding elective contributions and employee contributions from the participant's paycheck for the next six months.**

Indicate below if you prefer to have the check sent directly to the participant's address.

_____ *Please send the distribution check directly to the participant's address. I am aware that I will not receive a copy of the check for my records. **(This option requires the trustee's signature to have a medallion guarantee. If not provided, the distribution check will be mailed to the plan trustee.)**

*Participant's Address: ________________________________ (Street)

________________________________ (City, State, Zip)

A medallion signature guarantee from the trustee is required if the value of the distribution exceeds $50,000, or if you want the check sent directly to the participant's address. Eligible guarantors include:

Commercial banks	*Trust companies*
Savings and loans	*Credit unions*
Savings banks	*Member firms of a national stock exchange*

Please note: a notary public is not an acceptable provider of medallion signature guarantees. ***The guarantee stamp must be an original; copies are not acceptable and cannot be faxed to Prime Plan Solutions.***

Trustee Name (print): ________________________________ Date: ____________

Trustee Signature: ________________________________

If distribution check is to be delivered to the plan trustee, then fax the completed form to Prime Plan Solutions at 816-218-0079.

TO THE PLAN ADMINISTRATOR:

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

If the amount to be distributed from the Plan exceeds $200, the Plan Administrator is required to provide the SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS during the 30 to 180 day period preceding the distribution date. The notice explains the potential tax treatment of a distribution, and of required withholding with respect to certain distributions.

The Plan generally may not make a distribution earlier than 30 days after the Plan Administrator gives the notice. However, the participant may waive the 30-day minimum notice period by an affirmative election. The Plan Administrator may treat a participant's election made before the end of the 30-day notice period as a waiver of the remaining notice period and may make distribution before the notice period ends.

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS
(FOR PARTICIPANT)

____ 401(k) Plan

This notice explains how you can continue to defer federal income tax on your retirement plan savings in the Plan and contains important information you will need before you decide how to receive your Plan benefits. All references to "the Code" are references to the Internal Revenue Code of 1986, as amended. This notice summarizes only the federal (not state or local) tax rules which apply to your distribution. Because these rules are complex and contain many conditions and exceptions which we do not discuss in this notice, you may need to consult with a professional tax advisor before you receive your distribution from the Plan.

A. TYPES OF PLAN DISTRIBUTIONS

Eligibility for rollover. The Code classifies distributions into two types: (1) distributions you may roll over ("eligible rollover distributions") and (2) distributions you may not roll over. (See "Distributions not eligible for rollover." below.) You may also receive a distribution where part of the distribution is an eligible rollover distribution and part is not eligible for rollover. An eligible rollover distribution is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. The Plan Administrator will assist you in identifying which portion of your distribution is an eligible rollover distribution and which portion is not eligible for rollover.

Plans that may accept a rollover. You may roll over an eligible rollover distribution (other than Roth deferrals and earnings) to a Roth IRA (provided that for distributions before January 1, 2010, your adjusted gross income for the taxable year of the distribution does not exceed $100,000), a traditional IRA or an eligible employer plan that accepts rollovers. An "eligible employer plan" includes a plan qualified under Code Section 401(a), including a 401(k) plan, profit sharing plan, defined benefit plan, stock bonus plan (including an ESOP), and money purchase plan; a Section 403(a) annuity plan; a 403(b) plan; and an eligible Section 457(b) plan maintained by a governmental employer (governmental 457 plan). Special rules apply to the rollover of after-tax contributions and Roth deferrals. See "After-tax contributions" and "Roth deferrals" below. YOU MAY NOT ROLL OVER ANY DISTRIBUTION TO A SIMPLE IRA OR A COVERDELL EDUCATION SAVINGS ACCOUNT (FORMERLY KNOWN AS AN EDUCATIONAL IRA).

Deciding where to roll over a distribution. An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll over your distribution to an IRA or to split your rollover amount between the employer plan in which you will participate and an IRA. You should also find out about any documents you must complete before a "receiving" plan or IRA sponsor will accept a rollover. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover, regarding subsequent distributions and taxation of the amount you will roll over, prior to making the rollover.

Distributions not eligible for rollover. An eligible rollover distribution means any distribution to you of all or any portion of your account balance under the Plan except the following:

Required minimum distributions. Beginning in the year in which you retire or reach age 70 1/2 (whichever is later), the Code may require the Plan to make "required minimum distributions" to you. You may not roll over the required minimum distributions. Special rules apply if you own more than 5% of the Employer.

Corrective distributions. You may not roll over a distribution from the Plan to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded.

Substantially equal periodic payments. You may not roll over a distribution if it is part of a series of substantially equal payments made at least once a year and which will last for: (1) your lifetime (or your life expectancy), (2) your lifetime and your beneficiary's lifetime (or life expectancies), or (3) a period of 10 years or more.

Hardship distributions. A hardship distribution is not eligible for rollover.

After-tax contributions (other than Roth deferrals).

After-tax/rollover into an IRA. You may roll over after-tax contributions, if any, to an IRA either directly or indirectly. For distributions before January 1, 2010, you may roll over your after-tax contributions to a Roth IRA, provided your adjusted gross income for the taxable year of the distribution does not exceed $100,000. The Plan Administrator will assist you in identifying how much of your payment is the taxable portion and how much is the after-tax portion. If you roll over after-tax contributions to an IRA, it is your responsibility to keep track of, and report to the IRS on the applicable forms, the amount of these after-tax contributions. This will enable you to determine the nontaxable amount of any future distributions from the IRA. Once you roll over your after-tax contributions to an IRA, you may NOT later roll over those amounts to an employer plan, but may roll over your after-tax contributions to another IRA.

After-tax/rollover into an employer plan. You may DIRECTLY roll over after-tax contributions, if any, from the Plan to another qualified plan (including a defined benefit plan) or to a 403(b) plan if the other plan will accept the rollover and provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You may NOT roll over after-tax contributions from the Plan to a Section 403(a) annuity plan, or to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator to make a direct rollover on your behalf. Also, you may not first roll over after-tax contributions to an IRA and then roll over that amount into an employer plan.

Roth deferrals. You may roll over an eligible rollover distribution that consists of Roth deferrals (and earnings) ONLY to another Roth 401(k) plan (by a direct rollover), to a Roth 403(b) plan (by a direct rollover), provided the Roth 401(k) plan or the Roth 403(b) plan will accept the rollover, or to a Roth IRA (either by a direct rollover or by a 60-day rollover). In any of these direct rollovers, the distribution may be a "qualified Roth distribution" or may be a Roth distribution that is not qualified. See Section C. "Taxation of Roth deferrals." below. If you are completing a 60-day rollover to a qualified plan or to a 403(b) plan, you only may roll over the taxable portion of a non-qualified Roth distribution. See Section C. "Taxation of Roth deferrals" and "60-day rollover option" below.

30-Day Notice Period/Waiver. After receiving this notice, you have at least 30 days to consider whether to receive your distribution or have the distribution directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a direct rollover. Your distribution then will be processed in accordance with your election as soon as practical after the Plan Administrator receives your election.

B. DIRECT ROLLOVER

Direct rollover process. You may elect a direct rollover of all or any portion of an eligible rollover distribution. If you elect a direct rollover, the Plan Administrator will pay the eligible rollover distribution directly to your IRA or to another eligible employer plan (to a Roth IRA or to a qualified plan in the case of a distribution of Roth deferrals) which you have designated. For the cash portion of your distribution, if any, the Plan Administrator may give you a check negotiable by the trustee or custodian of the recipient eligible employer plan or IRA. You must deliver the check to that trustee/custodian. A direct rollover amount is not subject to taxation at the time of the rollover, unless the direct rollover is from a pre-tax account to a Roth IRA. Except for a direct rollover of a pre-tax amount to a Roth IRA, the taxable portion of your direct rollover will be taxed later when you take it out of the IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to *different tax treatment* than it would be if you received a taxable distribution from this Plan. If you elect a direct rollover, your election form must include identifying information about the recipient IRA or plan.

Treatment of periodic distributions. If your Plan distribution is a series of payments over a period of less than ten years, each payment is an eligible rollover distribution. Your election to make a direct rollover will apply to all payments unless you advise the Plan Administrator of a change in your election. The Plan might not let you choose a direct rollover if your distributions for the year are less than $200.

Splitting a distribution/small distributions. If your distribution exceeds $500, you may elect a direct rollover of only a part of your distribution, provided the portion directly rolled over is at least $500. If your distribution is $500 or less, you must elect either a direct rollover of the entire amount or payment of the entire amount. The Plan might not let you choose a direct rollover if your distributions for the year are less than $200.

Change in tax treatment resulting from a direct rollover. The tax treatment of any payment from the eligible employer plan or IRA receiving your direct rollover might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you roll over your benefit to a 403(b) plan, a governmental 457 plan, or an IRA, your benefit will no longer be eligible for that special treatment. See the sections below entitled "10% penalty tax if you are under age 59 1/2" and "Special tax treatment if you were born before 1936."

Taxation of direct rollover of pre-tax distribution to Roth IRA. If you directly roll over a pre-tax distribution to a Roth IRA, the taxable portion of the distribution is subject to taxation for the taxable year in which the distribution occurs (except that a special taxation rule applies to distributions during 2010 that you roll over to a Roth IRA, under which the distribution is subject to taxation ratably during 2011 and 2012). For distributions before January 1, 2010, you may not roll over a distribution from a pre-tax account to a Roth IRA if your adjusted gross income for the taxable year exceeds $100,000.

However, the adjusted gross income limit on direct rollovers from a pre-tax account to a Roth IRA does not apply to distributions you roll over after December 31, 2009.

C. DISTRIBUTIONS YOU RECEIVE

Taxation of eligible rollover distributions. The taxable portion of an eligible rollover distribution which you elect to receive is taxable to you in the year you receive it unless, within 60 days following receipt, you roll over the distribution to an IRA or to another eligible employer plan.

Taxation of Roth deferrals. If your distribution includes Roth deferrals, the taxation of the Roth deferrals depends on whether or not the distribution is a qualified distribution. For a distribution of Roth deferrals to be a qualified distribution, you must have satisfied two requirements: (1) the distribution must occur on or after the date you attain age 59 1/2, on or after the date of your death, or on account of your being disabled; and (2) the distribution must occur after the end of the 5th calendar year beginning with the first calendar year for which you made Roth deferrals to the Roth 401(k) plan. If the distribution of Roth deferrals is a qualified distribution, then neither the deferrals nor the earnings distributed on the deferrals will be taxable to you. If the distribution is not a qualified distribution, then the portion of the distribution representing your Roth deferrals will not be taxable to you, but the portion of the distribution representing earnings on the Roth deferrals will be taxable to you in the year you receive the distribution, unless within 60 days following receipt, you roll over the distribution to a Roth IRA, or you roll over the earnings on the Roth deferrals to a qualified plan or to a 403(b) plan, as explained under "60-day rollover option" below.

Withholding on eligible rollover distributions. The taxable portion of your eligible rollover distribution is subject to 20% federal income tax withholding. You may not waive this withholding. For example, if you elect to receive a taxable eligible rollover distribution of $5,000, the Plan will pay you only $4,000 and will send to the IRS $1,000 as income tax withholding. You will receive a Form 1099-R from the Plan reporting the full $5,000 as a distribution from the Plan. The $1,000 withholding amount applies against any federal income tax you may owe for the year. The direct rollover is the *only* means of avoiding this 20% withholding.

60-day rollover option. The direct rollover explained in Section B above is not the only way to make a rollover. If you receive payment of an eligible rollover distribution, you may still roll over all or any portion of the distribution to an IRA or to another eligible employer plan that accepts rollovers, except that to the extent the distribution consists of Roth deferrals and earnings on the Roth deferrals. You may roll over the Roth deferrals and earnings on the Roth deferrals to a Roth IRA, or you may roll over only the taxable earnings (if any) on the Roth deferrals (but not the Roth deferrals) to a Roth 401(k) plan or to a Roth 403(b) plan. If you decide to roll over the distribution, *you must make the rollover within 60 days of your receipt of the payment.* The portion of your distribution which you elect to roll over is not subject to taxation until you receive distributions from the IRA or eligible employer plan, except that a rollover of a distribution from a pre-tax account to a Roth IRA is subject to taxation in the taxable year in which the distribution occurs.

You may roll over 100% of your eligible rollover distribution even though the Plan Administrator has withheld 20% of the distribution for income tax withholding. If you elect to roll over 100% of the distribution, you must obtain *other money* within the 60-day period to contribute to the IRA or eligible employer plan to replace the 20% withheld. If you elect to roll over only the 80% which you receive, the 20% withheld will be subject to taxation.

Example. Assume the taxable portion of your eligible rollover distribution is $5,000, and you do not elect a direct rollover. The Plan pays you $4,000, withholding $1,000 for income taxes. However, assume within 60 days after receiving the $4,000 payment, you decide to roll over the entire $5,000 distribution. To make the rollover, you will roll over the $4,000 you received from the Plan and you will contribute $1,000 from other sources (your savings, a loan, etc.). In this case, you will not have any tax liability with respect to the Plan distribution. The Plan will report a $5,000 distribution for the year and you will report a $5,000 rollover. When you file your income tax return, you may receive a refund of the $1,000 withheld. If you roll over only the $4,000 paid from the Plan, the $1,000 you do not roll over is taxable. In addition, the $1,000 you do not roll over may be subject to a 10% penalty tax. See "10% penalty tax if you are under age 59 1/2" below. When you file your income tax return, you still may receive an income tax refund, but the refund likely will be smaller because $1,000 of the distribution is taxable.

Withholding on distributions not eligible for rollover. The 20% withholding described above does not apply to any taxable portion of your distribution that is *not* an eligible rollover distribution. You may elect whether to have federal income tax withholding apply to that portion. If you do not wish to have any income taxes withheld on that portion of your distribution, or if you wish to have an amount other than 10% withheld, you will need to sign and date IRS Form W-4P, checking the box opposite line 1. The Plan Administrator will provide you with Form W-4P if your distribution includes an amount that does not constitute an eligible rollover distribution. If you do *not* return the Form W-4P to the Plan Administrator prior to the distribution, the Plan Administrator will treat the failure to return the form as an *affirmative election* to have 10% withholding apply.

10% penalty tax if you are under age 59 1/2. If you receive a distribution from the Plan before you reach age 59 1/2 and you do not roll over the distribution, the taxable portion of your distribution is subject to a 10% penalty tax in addition to any federal income taxes unless an exception applies. For example, the 10% penalty tax does not apply if you separate from service with the Employer during or after the year in which you attain age 55, and then receive a distribution. See IRS Form 5329 for more information on the 10% penalty tax.

The 10% penalty tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution (including earnings) is attributable to an amount you rolled over *to* that plan from another type of eligible employer plan or IRA. Any amount rolled over *from* a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59 1/2, unless one of the exceptions applies.

Special tax treatment if you were born before 1936. If your distribution is a "lump-sum distribution," and you were born before 1936, you may elect special tax treatment, but only if you do not roll over any part of the lump-sum distribution. If you roll over only a portion of your distribution to an IRA, a governmental 457 plan, or a 403(b) plan, this special tax treatment is not available for the rest of the payment. A lump-sum distribution is payment of your entire vested account balance (including any nontaxable portion of your distribution) under the Plan (and certain similar plans maintained by the Employer) that is made within one calendar year. If you are not a self-employed individual, the distribution must occur after you attain age 59 1/2 or after you have separated from service with the Employer. For a self-employed individual, a lump-sum distribution must occur after the self-employed individual attains age 59 1/2 or becomes disabled.

Ten-year averaging. If you receive a lump-sum distribution and you were born before 1936, you can make a one-time election to figure the tax on the lump-sum distribution under "10-year averaging" using 1986 tax rates. Ten-year averaging often reduces the tax you owe.

Capital gain treatment. If you receive a lump-sum distribution, you were born before 1936 *and* you were a participant in the Plan before 1974, you may elect to have the part of your lump-sum distribution attributable to your pre-1974 participation taxed as long-term capital gain at a rate of 20%.

Income averaging election and limitations. You must have completed at least five years of active participation in the Plan for special tax treatment to apply to the lump-sum distribution election. You may elect special tax treatment, known as income averaging, by filing IRS Form 4972 with your income tax return. The instructions to Form 4972 provide further details regarding the reporting of your lump-sum distribution and describe the rules for determining whether a distribution qualifies as a lump-sum distribution. As a general rule, you may not elect income averaging for a lump-sum distribution if you elected income averaging with respect to a prior lump-sum distribution you received after December 31, 1986, or after you had attained age 59 1/2. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) plan, from a governmental 457 plan or from an IRA not originally attributable to a qualified employer plan. You also may not elect income averaging if you previously rolled over another distribution from the Plan. Finally, you may not elect income averaging if you roll over your distribution to an IRA, a governmental 457 plan or a 403(b) plan, and then take a distribution from the IRA, plan or annuity.

Government publications. IRS Publication 575 and IRS Publication 590 provide additional information about the tax treatment of plan distributions and rollovers. These publications are available from your local IRS office, on the IRS's Internet Website at www.irs.gov, or by calling 1-800-TAX-FORMS.

Employer Securities. The Code provides a special rule for a distribution which includes Employer securities (*i.e.*, stock of the Employer). In order to take advantage of this special rule: (1) the distribution must qualify as a lump-sum distribution; or (2) the Employer stock must be attributable to after-tax employee contributions. Under this special rule, you have the option of not paying the tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the Employer stock while the Plan held the stock. For example, if the Employer contributed Employer stock to your account when the stock was worth $500 but the stock is worth $800 when you receive it, you could elect not to pay the tax on the $300 increase in value until you later sold the stock.

Election against special rule. You may elect not to have the special rule apply to net unrealized appreciation. If you elect not to apply the special rule, your net unrealized appreciation is taxable in the year of distribution, unless you roll over the stock. You may roll over the stock to an IRA or to another eligible employer plan in a direct rollover or a rollover which you make yourself. Generally, you no longer will be able to use the special rule for net unrealized appreciation if you roll over the stock to an IRA or to another eligible employer plan.

Withholding requirements. If you receive only Employer stock in a distribution that is eligible for rollover, withholding will not apply to the distribution. If you receive cash or property other than Employer stock, as well as Employer stock, in a distribution that is eligible for rollover, the Plan will base the 20% withholding amount on the entire taxable amount paid to you (including the value of the Employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will not exceed the cash or property (excluding Employer stock) paid to you.

Income averaging. If you receive Employer stock in a distribution which qualifies as a lump-sum distribution, the income averaging election also may apply. See IRS Form 4972 for additional information on these rules.