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

Critical information to consider:

- The Qualified Domestic Relations Order (QDRO) and instructions contained in this document are generic. Paperwork is not specific to your plan.
- Participants requesting the Alternate Payee Distribution Election Form should also receive a copy of the Special Tax Notice Regarding Plan Payments.
- The plan sponsor must review paperwork to ensure all required documents are properly completed. The plan sponsor is also responsible for determining whether or not the Domestic Relations Order is considered "Qualified" according to ERISA regulations and making sure procedures are followed correctly.
- 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

- All distribution checks are delivered to the plan trustee. The trustee should retain a copy for the plan's records before distributing to the alternate payee. Should you require a check to be delivered to another institution or directly to the alternate payee, 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 forms, 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.

Qualified Domestic Relations Order (QDRO) Procedure

In the case of any Domestic Relations Order received by a 401(k) plan, its status as a Qualified Domestic Relations Order (QDRO) under the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code will be determined under the procedure outlined below. The plan administrator is responsible for administering the QDRO Procedure.

The plan will apply the following procedure **prior** to the plan's receipt of a QDRO:

Suspension of participant distributions or loans
If the plan administrator is on notice (verbal or written) regarding a pending domestic relations action (e.g., a divorce) and has a reasonable belief the participant's account may become subject to a QDRO, the plan administrator may suspend processing the participant's distribution or loan requests pending resolution.

Placing / Removing "Hold" on the account
After placing a hold on the account, the plan administrator should notify the participant. In order to remove the hold, the plan administrator should request the participant to provide written confirmation that a court will not issue a QDRO with respect to the account, such as a property settlement agreement awarding the entire account to the participant.

The plan will apply the following procedure **after** receiving a QDRO which purports to be a QDRO:

Notice to Participant and Alternate Payee
Within a reasonable time period after receipt of a Domestic Relations Order, the plan administrator will notify the participant and any alternate payee of the receipt of the order, and will deliver to the participant and to each alternate payee a copy of this QDRO Procedure.

Notice to Trustee
The plan administrator, within a reasonable time period after receipt of a Domestic Relations Order, will notify the trustee of the receipt of the order. The plan administrator also will account separately for the amount of the participant's benefit that is subject to the order. The plan administrator will direct the trustee to segregate the "QDRO amount" if possible.

Review of order
The plan administrator will review the order within a reasonable time to determine its qualified status. The plan administrator will complete a "QDRO Determination Checklist" with respect to each order the plan receives. In most circumstances, the plan administrator will complete a review of the order within 30 days of receipt. After review, the administrator will determine whether the order is a QDRO.

Suspension of distributions and loans
If the participant is eligible to receive benefits or loans from the plan at the time of receipt of the order, the plan administrator will suspend distributions and loans to the participant to the extent the plan administrator deems necessary to comply with the order should the plan administrator determine the order is a QDRO.

If the plan administrator determines the order **is** a QDRO:

- The plan administrator will notify the participant and each alternate payee that the order is a QDRO and the plan will distribute amounts pursuant to the QDRO. The plan administrator will notify the participant and each alternate payee of the decision within ten days of the determination by mailing each party a copy of the "QDRO Determination Checklist", which will include the plan administrator's certification.

- If the QDRO requires immediate payment, the plan will pay the designated amounts as soon as administratively feasible. Payment of any amount the order required the plan to pay during the determination period will include interest from the date the QDRO required the first payment (if the QDRO so provides), at the rate of interest determined to be reasonable. The rate of interest payable on regular savings accounts is a reasonable rate of interest for this purpose.

- If the plan cannot make the distribution within 30 days of the determination of qualified status of the QDRO, the plan administrator will advise the parties of the delay, of the reason for the delay, and of the date by which the plan expects to make payment.

- The plan administrator will advise the participant when the plan has completed payment to the alternate payee.

- The plan will maintain a separate accounting (which may include a segregated account) for each alternate payee until the plan has completed benefits under the QDRO.

- Each alternate payee is entitled to file with the plan a beneficiary designation in the same manner as a participant in the plan, except that if the plan is subject to the joint and survivor annuity requirements, the joint and survivor annuity provisions do not apply to the alternate payee's spouse.

If the plan administrator determines the order **is not** a QDRO:

- The plan administrator will advise the participant and each alternate payee of the adverse decision and of the reasons for the adverse decision. The plan will advise the participant and each alternate payee of the decision within ten days of the determination by mailing each party a copy of the "QDRO Determination Checklist", which will include the plan administrator's certification of the decision.

- The plan administrator will discontinue separate accounting for the amounts payable under the order. The plan will pay the benefits to the party entitled to receive the benefits. If the participant is not entitled to a present distribution of any of the segregated benefits, the plan will continue to account for the participant's benefits as if the plan had not received the order.

- If the plan administrator determines the status of the order within the 18-month period beginning on the date the order would require the first payment, the plan administrator may delay distribution of any benefits subject to the order if the plan administrator has reason to believe a party will seek to cure the defects in the order. The plan administrator will continue to delay distribution during the period the plan administrator determines to be necessary to fulfill the plan administrator's fiduciary duties under the plan.

The plan administrator will consult with the plan's legal counsel in case of questions that arise with respect to the interpretation of any provision of the order or with respect to the qualified status of the order.

Plan Administrator Signature	Print Name	Date

QDRO Determination Checklist

The plan administrator must complete this checklist to comply with the plan's QDRO Procedure. Note: The plan administrator must determine the qualified status of the order within a reasonable time. If the plan administrator does not conclude the determination within 18 months from the time the first payment is due under the order, the order will be effective only prospectively.

PRELIMINARY DATA

1. The Order concerns:

Plan Name: ____ Plan Number: __________

Participant Name: __________________________________ Last 4 digits of SSN: ______

Participant address: ____

Alternate Payee Name: ______________________________ Alternate Payee full SSN: __________

Alternate Payee address: ____

2. Notification. The plan administrator has mailed notification of receipt of a Domestic Relations Order, by regular first class mail, as follows:

Date of notification to participant: _______________

Date of notification to alternate payee(s): _______________

Date of notification to trustee: _______________

Note: The plan administrator must notify the participant and each alternative payee of receipt of the order, within 10 days of the plan administrator's receipt of the order. The plan administrator will account separately for the amounts subject to the order within 2 business days after receipt of the order. The plan administrator must advise the trustee of the existence of the order within 2 business days after receipt, so the trustee does not distribute funds subject to the order.

REVIEW OF ORDER

3. Technical Requirements. The plan administrator should complete a review of the order within a reasonable time. The order is a Qualified Domestic Relations Order (QDRO) only if the plan administrator answers "Yes" to each question in this section. If the plan administrator answers "No" to any question, check Section 6 and state the reason(s) for the answer.

   a) Order. Is the order an order entered pursuant to a state domestic relations law (including a community property law)?

      Yes_______ No_______

   b) Domestic relations matter. Does the order relate to providing child support, alimony (maintenance) payments or marital property rights?

      Yes_______ No_______

c) Plan identification. Does the order specify this plan as the plan subject to the order?

Yes_______ No_______

d) Alternate payee. Does the order direct payment to the participant's spouse, former spouse, child or other dependent (the "alternate payee")?

Yes_______ No_______

e) Identification of participant. Does the order identify the participant?

Yes_______ No_______

f) Identification of alternate payee. Does the order state each alternate payee's name and mailing address?

Yes_______ No_______

g) Description of benefit. Does the order state the amount or the percentage of the participant's benefit the plan must pay to each alternate payee? Note: Answer "Yes" if the order describes the manner in which the plan may determine the amount or percentage.

Yes_______ No_______

h) Period of payment. Does the order state the number of payments or the period to which the order applies? Note: A lump sum payment satisfies this requirement.

Yes_______ No_______

4. Plan Consistency Requirements. The order is a QDRO only if the plan administrator answers "No" to each question in this section. If the plan administrator answers "Yes" to any question, check Section 7 and state the reason(s) for the answer.

a) Required benefit. Does the order require the plan to provide a type or a form of benefit or a benefit option the plan otherwise does not provide? Note: Consult the plan's QDRO provisions. Payment consistent with the plan's QDRO provisions or consistent with the plan's normal distribution provisions is acceptable.

Yes_______ No_______

b) Amount of benefit. Does the order require the plan to provide benefits greater than the benefits available to the participant without the QDRO?

Yes_______ No_______

c) Prior QDRO. Does the order require payment of benefits which a previous QDRO requires the plan to pay to another alternate payee? Note: If no prior QDRO is in effect with respect to the participant, answer "No."

Yes_______ No_______

5. Determination of Qualified Status. If the plan administrator answered “Yes” to each question in Section 3, and has answered “No” to each question in Section 4, the order qualifies as a QDRO. If the order qualifies as a QDRO, the plan administrator should write “N/A” under each of Sections 6 and 7, and should sign the Plan Administrator’s Certification of QDRO in Section 8. If the order does NOT qualify as a QDRO, the plan administrator should check one or more of Sections 6 and 7, should complete the explanation as required, and should sign the Plan Administrator’s Certification of Non-Qualified Status in Section 8.

   The plan administrator should notify the participant and each alternate payee of the determination by mailing a copy of this QDRO Determination Checklist to each party, complete with the Plan Administrator’s Certification. After notification of the participant and each alternate payee, the plan administrator should complete the QDRO Procedure.

   NOTE: CHECK AND COMPLETE ONLY THOSE OF SECTIONS 6 AND 7 WHICH APPLY IN RESPONSE TO SECTIONS 3 AND 4. IF ANY OF SECTIONS 6 AND 7 DO NOT APPLY, WRITE “N/A” AS THE EXPLANATION FOR EACH AND DO NOT COMPLETE THE SECTION.

6. Disqualification – Technical Requirements. The order is not a QDRO because the order does not satisfy one or more of the technical requirements referred to in Section 3. The explanation of each "No" answer is the following: ____

   ____

7. Disqualification – Consistency Requirements. The order is not a QDRO because the order does not satisfy one or more of the consistency requirements referred to in Section 4. The explanation of each "Yes" answer is the following: ____

   ____

DETERMINATION OF STATUS

8. Plan Administrator’s Certification. Sign the certification paragraph which states the plan administrator’s determination with respect to the qualified status of the order. ***Please complete only one Certification.***

Plan Administrator's Certification of QDRO

I, the undersigned plan administrator, certify the order identified in Section 1 is a qualified domestic relations order. The plan will distribute in accordance with the QDRO.

______________________	______________________	__________
Plan Administrator Signature	Print Name	Date

Plan Administrator's Certification of Non-Qualified Status

I, the undersigned plan administrator, certify the order identified in Section 1 is not a qualified domestic relations order. The plan will pay any amounts segregated in accordance with Code Section 414(p) without regard to the order. If the participant is not receiving any distribution from the plan, the plan administrator will disregard any separate accounting.

______________________	______________________	__________
Plan Administrator Signature	Print Name	Date

Alternate Payee Distribution Election Form

Plan Name: ____ Plan Number: _________

Participant: ____ Last 4 digits of SSN: _________

Alternate Payee Name: (print) _______________________________________

Alternate Payee's full SSN: ___________________ Alternate Payee's Birth Date: __________

Alternate Payee Address: ____ (Street)

____ (City, State, Zip)

Reason for distribution: QDRO

Please distribute the following amount to the alternate payee as requested in the QDRO: $___________

Election: I, the undersigned alternate payee make the following distribution election: (Choose one)

- ☐ Lump sum payment of the QDRO amount identified above, less any income tax withholding.
- ☐ Direct rollover via check of the QDRO amount identified above to the IRA or retirement plan designated below. (This option is only available if the alternate payee is the spouse or former spouse of the participant.)
- ☐ Direct rollover of the following portion of the QDRO amount identified above to the IRA or retirement plan designated below: $__________ (not less than $500), with the balance paid in lump sum, less income tax withholding. (This option is only available if the alternate payee is the spouse or former spouse of the participant.)

Information for Direct Rollover (Required if selecting rollover option above): I represent that the traditional IRA, Roth IRA, or retirement plan of another employer designated below is a proper recipient for a direct rollover. This rollover is going to a:

_____ Traditional IRA
_____ Roth IRA
_____ Qualified Retirement Plan

Owner registration of traditional IRA, Roth IRA, or retirement plan: ____________________________

Name of trustee(s), custodian(s), or insurer (receiving company name): ___________________________

IRA / Plan account number: ________________

Send Direct Rollover to the following address:* ____

____

____

______________________________ ________________________ ____________
Signature of Alternate Payee Print Name Date

Information below to be completed by the plan trustee:

Please check the below box to certify you followed the QDRO requirements. Neglecting to check this box may cause a delay in processing the distribution.

❑ **As trustee, I certify that I have completed and reviewed the QDRO Procedure and QDRO Determination Checklist, or consulted with legal counsel regarding the Domestic Relations Order for the named participant and alternate payee. I, or my legal counsel, have determined the Domestic Relations Order meets the status as a QDRO under ERISA and Internal Revenue Code.**

Indicate below if you want the check sent directly to the alternate payee's address or rollover institution.

_____ *Please send the distribution check directly to the alternate payee or rollover institution. 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.)**

A medallion signature guarantee for the trustee is required if the value of the distribution exceeds $50,000, or if you want the check sent directly to the alternate payee'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 Signature Print Name Date

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

SPECIAL TAX NOTICE REGARDING PLAN PAYMENTS

(FOR QDRO ALTERNATE PAYEE)

____ 401(k) Plan

This notice explains how you can continue to defer federal income tax options for your QDRO distribution from the Plan under a "qualified domestic relations order" ("QDRO"), and contains important information you will need before you decide how to receive your Plan benefit. Generally, a QDRO is an order issued by a court in connection with a divorce or legal separation awarding an Alternate Payee, who is a participant's spouse or former spouse, an interest in the participant's account balance under the Plan. 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 QDRO distribution under the Plan except the following:

Required minimum distributions. Beginning in the year in which the participant (*i.e.*, your spouse or former spouse) retired or reached 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 your spouse or former spouse owns more than 5% of the Employer.

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). If the participant (*i.e.*, your spouse or former spouse) made after-tax contributions to the Plan, you may roll over these amounts that are part of your QDRO distribution into either an IRA or certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

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 the after-tax contributions to an IRA, you may NOT later roll over those amounts to an employer plan, but may roll over the 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 the 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. If the participant (*i.e.*, your spouse or former spouse) made Roth deferrals to the Plan, you may roll over these amounts that are part of your QDRO distribution into either an IRA or certain employer plans that accept Roth deferrals. The following rules apply:

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 no longer will 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 the participant *(i.e.*, your spouse or former spouse) attains age 59 1/2, on or after the date of the participant's death, or on account of the participant's being disabled; and (2) the distribution must occur after the end of the 5th calendar year beginning with the first calendar year for which the participant 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 the 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, but is not 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. The 10% penalty tax does NOT apply to Plan distributions to an alternate payee pursuant to a QDRO. However, if you roll over your distribution, the taxable portion of any distribution from the recipient IRA or eligible employer plan before you reach age 59 1/2 is subject to a 10% penalty tax in addition to any federal income taxes unless an exception applies. See IRS Form 5329 for more information on the 10% penalty tax.

Special tax treatment if the participant was born before 1936. If your distribution is a "lump-sum distribution," and the participant was 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 QDRO distribution (including any nontaxable portion of your distribution) under the Plan (and certain similar plans maintained by the Employer) made within one calendar year. If the participant is not a self-employed individual, the distribution must occur after he/she attains age 59 1/2 or after he/she has separated from service with the Employer. If the participant is self-employed, a lump-sum distribution must occur after he/she attains age 59 1/2 or becomes disabled.

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

Income averaging election and limitations. The participant must have completed at least five years of active participation in the Plan for special tax treatment to apply to the lump-sum distribution. 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 your lump-sum distribution if the participant elected income averaging with respect to a prior lump-sum distribution he/she received after December 31, 1986, or after he/she had attained age 59 1/2. You also may not elect income averaging if the participant previously rolled over another distribution from the Plan. Finally, you may not elect income averaging if you roll over the 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 the participant's 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.