



Mailing Address:  
P.O. Box 9394  
Des Moines, IA 50306-9394  
**FAX (866) 704-3481**

**Principal Life  
Insurance Company**

**Early Withdrawal of Benefits –  
No Spousal Consent Needed  
CTD00603**

**Complete this form to withdraw part of your retirement funds while still employed.**  
Participant completes Sections 1, 2, 3, 4 and 5. Plan Sponsor/Employer completes Section 6.

**Section 1 – Personal Information (Please print using black ink)**

Plan Sponsor Name			Contract No./Plan ID No.	
Participant Name (First)	(Middle Initial)	(Last)	Social Security Number	I.D. Number
Participant Address (Street)		(City)	(State)	(ZIP Code + 4)
Day Phone		Evening Phone		

- I am a U.S. Person. (This includes a resident alien of the United States.)
  - I am not a U.S. Person. (Note: Please complete and submit the appropriate version of IRS Form W-8 when returning this form.)
- To learn more about how a U.S. Person is defined, please refer to Internal Revenue Service Publications 515 and 519, available on their website at [www.irs.gov](http://www.irs.gov), or you may request a copy by calling 1-800-829-3676. Your tax advisor can also provide assistance.

**Section 2 – Type of Withdrawal (Refer to the Summary Plan Description to determine which withdrawal types are available.)**

- Hardship\*** – Withdrawal of contributions upon proof of certain financial hardship situations, as defined by the plan.
- Qualified Reservist Distribution** – Participants who serve a period of military service of more than 180 days may be permitted to withdraw amounts attributable to Elective Deferral contributions.
- Active Military – Deemed Severance\*\*** - Participants who serve a period of military service for more than 30 days may request a distribution of amounts attributable to Elective Deferral contributions.
- Voluntary** – Withdrawal of Employee Voluntary Non-Deductible or Employee Deductible contributions.
- Rollover Withdrawal** - Withdrawal of Employee Rollover Contributions.
- Active Participant** - Withdrawal (in accordance with plan provisions) of Vested Matching and/or Discretionary contributions.
- Over age 59½** - Withdrawal following attainment of age 59½.
- Other** - Normal Retirement Age withdrawal (in accordance with plan provisions) that does not meet any of the preceding categories.

\*Elective Deferral earnings after 1/1/1989 cannot be used for hardship withdrawals. Also, your employer’s retirement plan may require Elective Deferral contributions to be suspended for a certain length of time. Elective Deferral contributions will resume after the applicable suspension period in an amount defined by the plan.

\*\*Elective Deferral contributions will be suspended for a period of 6 months from the date of the distribution and will resume after the suspension period ends in an amount defined by the plan. If you have questions, contact the Client Contact Center at 1-800-547-7754.

**Section 3 – Amount of Withdrawal (See examples on Page 6.)**

I would like to withdraw \$ \_\_\_\_\_ (indicate a specific dollar amount) **OR** \_\_\_\_\_ % (designate a percentage from 1 to 100%).

**Due to market fluctuation, the amount available for withdrawal may be less than originally requested, in which case we will process a withdrawal for the maximum amount available.**

**My withdrawal should be:**

- Gross Distribution (check amount equals specified amount, less required taxes)
- Net of Taxes (check amount equals amount specified)

**Note:** The withdrawal will be treated as a gross distribution, unless otherwise elected above. The requested withdrawal amount will be prorated from all applicable contribution types and investments in the account, unless instructed otherwise on a separate sheet of paper that must accompany this withdrawal form. **All withdrawals from Guaranteed Interest are taken from the most current Guaranteed Interest Account, unless you tell us otherwise.**

If a withdrawal request is to be issued as a **Direct Rollover**, complete **Option C** under *Method for Receiving Your Funds*. A hardship withdrawal cannot be issued as a Direct Rollover.

**Caution:** A charge may apply to early withdrawals from the Guaranteed Interest Account. Call the Client Contact Center at 1-800-547-7754 for current rates and to determine if other contract charges may apply.

**Revocability of Benefit Election:**

You have elected to distribute your retirement funds according to the directions you have given on this form. Your election becomes irrevocable once the request is processed.

**For Account Information 24 hours a day 1-800-547-7754  
Retirement Professionals are available:  
7 A.M. – 9 P.M. Central Time (Monday – Friday)**

**Method for Receiving Your Funds**

Choose option A, B or C below. Please send my withdrawal payment via:

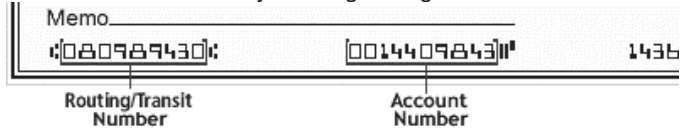
A.  Direct Deposit

**Financial Institution Information:** Please enclose a voided check (if applicable) and complete the following information:

Financial Institution Name		Your Name as Shown on the Account (Your name must be on the account indicated)		
Financial Institution Address (street number and name, must be located in the U.S.)		City	State	Zip Code
Routing/Transit Number (9 digits)	Your Account Number (up to 21 digits)		Account Type	
			<input type="checkbox"/> Savings <input type="checkbox"/> Checking	

**How to find the Routing/Transit Number:**

You can usually find the routing/transit number at the bottom left-hand corner of the checks issued to you by your financial institution. The numbers are usually nine digits long.



B.  Check

**Mail check to (Only complete if mailing address is different than Section 1):**

Name		
Mailing Address		
City	State	Zip Code Plus 4-digit

C.  Direct Rollover (No portion of a hardship withdrawal is eligible for rollover.)

**I Elect My Direct Rollover To A:**

- Traditional IRA
- Roth IRA

**Receiving Financial Institution Information**

Name of Financial Institution, Trust Account or Trustee		Account Number or Identification Number (Optional)
Mailing Address of Financial Institution (Street or PO Box)	Name of Agent/Broker or Contact at Financial Institution (Optional)	
City of Financial Institution	State of Financial Institution	Zip code plus 4-digit

**Mailing Information**

**NOTE:** The Principal® will mail only the check(s) to you or the financial institution. If additional documents must accompany a check to a financial institution, have the check mailed to you so you can include the additional documents that are required.

**Mail check(s) to:**

- The financial institution listed above in Option C.
- To me at the address provided in Section 1.
- Other – To me at the address shown below:

Name		Name of Agent/Broker or Contact at Financial Institution (Optional)
Mailing Address (Street or PO Box)	Name of Agent/Broker or Contact at Financial Institution	
City	State	ZIP code plus 4-digit



**Section 6 –Plan Representative**

I certify the above information is true and correct. I authorize Principal Life to make a disbursement to this participant according to the terms of our plan.

**Note:** Hardship withdrawals cannot be in excess of the amount needed to satisfy the immediate and heavy financial need. In addition, the employee should obtain all distributions, other than hardship distributions, and all nontaxable loans currently available under all employer maintained plans, prior to obtaining a hardship withdrawal.

**Note:** The law requires you to give participants a written description of their benefit options. Section 7 and 8 of this form satisfy this requirement. Payments must commence within a 30 to 180-day period of when a participant receives this form. However, an affirmative election by a participant can reduce the 30-day waiting period to 7\* days. Section 5 of this form satisfies this requirement. The law also requires you to give participants a written description of rollover rules if the distribution is eligible to be rolled over. Section 9 of this form satisfies this requirement.

**Note:** If payment is made to the trustee, any withholding and reporting are the responsibility of the Trustee.

**Note:** Select "Other" box (below) as the Issue Payment To:/Payment Delivery Method To: option if withdrawal is to be issued as a Direct Rollover. Participant must supply address and account information in Section 3 (refer to *Method for Receiving Your Funds*).

Issue Payment To: <input type="checkbox"/> Participant <input type="checkbox"/> Trustee <input type="checkbox"/> Other	Payment Delivery Method: To: <input type="checkbox"/> Participant <input type="checkbox"/> Plan Sponsor <input type="checkbox"/> Trustee <input type="checkbox"/> Other <input type="checkbox"/> Direct Deposit	Print Plan Sponsor Name <b>X</b>	Date
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Plan Representative Signature <b>X</b>	Date
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**State Taxation**

Yes  No Does participant have elective deferrals in the plan that have already been taxed by the participant's state of residence?

Yes  No If yes, have all elective deferrals accumulated in this participant's account been taxed by the participant's state of residence?

If all elective deferrals have not been taxed, what is the amount that has been taxed by the participant's state of residence? \$ \_

**\*Some plans may not allow the 30 days to be waived in favor of 7 days.**

## **Section 7 - Important Information About Payment of Benefits**

You and your spouse (if you're married) should read this section carefully before deciding how you want to receive benefit payments.

**Guaranteed Income for You and Your Spouse:** Under the terms of your retirement plan, if you're married, your regular form of benefit will typically be a Survivorship Annuity, (possibly with Installment Refund feature) with your spouse as the contingent annuitant. The Employee Retirement Income Security Act (ERISA) made the Qualified Joint and Survivor Annuity (QJSA) form of payment mandatory for all married plan participants in order to protect your spouse's rights to benefits.

This form of benefit guarantees you or your spouse a regular income as long as either of you are alive. If you die, your spouse receives a percentage – at least 50% – of your regular income for life. If the Installment Refund feature applies and both you and your spouse die before receiving the amount used to purchase your annuity, regular income continues to your beneficiary until total payments equal the annuity purchase price.

You also have the right to keep your money in the retirement plan until age 62 or your normal retirement age, whichever comes later. If your plan allows, you may elect to defer payments until April 1 of the year after you reach age 70½ and retire (doesn't apply if you're at least a 5 percent owner in the company sponsoring the plan). If you choose to take a withdrawal now, it will reduce the money available to you during retirement.

**Consequences of Not Deferring Payments:** At the time you become eligible to receive a distribution from a retirement plan you have several decisions to make. You may need to decide:

- Whether to take retirement funds from the plan now or leave the funds in the plan and take at a later date;
- In what form to receive your retirement funds (if you are given a choice) and you elect a distribution;
- Whether to roll over distributed amounts to another plan or IRA to keep the retirement funds tax-deferred;
- If you elect a rollover, to what investment options will you direct the retirement funds?

(Note: Hardship withdrawals may not be rolled over to another plan or IRA.)

These decisions can impact the amount of retirement funds you are ultimately able to accumulate as well as the amount and timing of the tax liability associated with the receipt of these funds.

Some things to consider –

In general, if you do not elect an annuity option which provide lifetime income, or such option is not available through your employer's retirement plan, the earlier you start receiving payments and the larger the payments, the lower the probability that your retirement funds will last throughout your lifetime.

If you take your retirement funds now, you give up the possibility of future tax deferred accumulation in the retirement plan. If you do not roll it over to another plan or IRA, you give up the advantage of tax-deferred growth.

If you take your retirement funds now and do not roll funds over into another plan or IRA, you will be subject to current income taxation on the amounts includible in gross income.

If you have not reached age 59½ when you take retirement funds, you do not roll funds over into another plan or IRA, you may be subject to an additional 10% penalty tax. Delaying distribution until a later time may avoid this tax.

If you have not reached age 59½ and have terminated employment during or after the year you reached age 55, the retirement funds you receive from the plan would not be subject to the additional 10% penalty tax. If, however, you roll amounts to an IRA and then take distributions from the IRA, you would again be subject to the 10% penalty tax while under age 59½ unless another exception applies.

You should be aware that some currently available investment options in the plan may not be generally available outside the plan.

You should refer to the Summary Plan Descriptions for this and any other employer plans under which you are covered for information which might materially affect your decision to defer payments.

The fees and expenses associated with investment options can reduce the amount of retirement funds you can otherwise accumulate. The fees and expenses (including administrative or investment related fees) outside the plan may be different from fees and expenses that apply to the account held for you under your employer's plan.

If you elect to roll over funds to another qualified plan or IRA, you should compare the expenses and fees in the underlying investment options of the qualified plan or IRA with those you are currently subject to under your employer's retirement plan. The underlying investment options available to you under your employer's plan are detailed on your benefit statement, and can be accessed online at [principal.com](http://principal.com). These underlying investment options have expense charges. For these expense ratios, see your prospectus or other investment material at [principal.com](http://principal.com). Your plan sponsor may be paying for a portion of plan expenses. Contact your plan sponsor for details. You may find your plan contact information in your Summary Plan Description. The Principal may receive payments from investment option providers in connection with the investments offered under the plan. The Principal takes these payments into consideration when determining plan administrative services fees for the retirement plan.

*While this communication may be used to promote or market a transaction or an idea that is discussed in the publication, it is intended to provide general information about the subject matter covered and is provided with the understanding that The Principal is not rendering legal, accounting, or tax advice. It is not a marketed opinion and may not be used to avoid penalties under the Internal Revenue Code. You should consult with appropriate counsel or other advisors on all matters pertaining to legal, tax or accounting obligations and requirements.*

**Section 8 - Description of Payment Option**

**Cash Withdrawal:** You choose your withdrawal amount. Federal and state (if applicable) taxes will be withheld as required by the Internal Revenue Service.

**Direct Rollover\*:** You choose your rollover amount and select an Individual Retirement Account/Annuity (IRA) or another eligible retirement plan to receive the funds. No state or federal taxes will be withheld from this disbursement.

**\*No portion of a hardship withdrawal is eligible for rollover.**

**Check Information:** If withdrawal is being used to request a Direct Rollover to an IRA or another eligible retirement plan with another financial institution, you must provide the check issuing instructions that have been provided by the receiving financial institution. This information must be provided in Section 3 of this Early Withdrawal form.

**Annuity Payments:** Annuity payments may be available in various forms. Federal and state (if applicable) taxes will be withheld according to annuity tables. If you elect to receive an annuity as your form of benefit payment, the vested account balance will be used to purchase an annuity contract from an insurance company.

**Installment:** Installment payments may be available in various forms. Payments received for at least 10 or more years are considered periodic payments and not eligible for rollover. Payments received for less than 10 years are considered non-periodic payments and are subject to standard federal and state [if required] withholding.

The following chart describes various distribution options. All options may not be available under your retirement plan. Refer to your Summary Plan Description for details regarding the options available for your plan. Note: This chart is for illustrative purposes only. It is not intended to project exact monthly benefits for you and your spouse. All amounts are calculated assuming no commissions payable. Income could vary depending on state of residence at time of purchase to reflect premium tax.

\*Based on a \$25,000 withdrawal, contingent annuitant is four years younger than plan participant, and annuity purchase rates effective on the date this illustration was prepared. If you would like additional information on these payment options call, 1-800-547-7754.

Distribution Option	Description	Estimated Monthly Income*					
		Starting at Age 65		Starting at Age 55		Starting at Age 45	
		You	Your Spouse (after death of participant)	You	Your Spouse (after death of participant)	You	Your Spouse (after death of participant)
50% Survivorship Annuity (Other survivorship percentages may be available)	The participant receives regular income for life. After the participant's death, the contingent annuitant (typically the spouse - but another annuitant can be designated if the spouse approves) receives 50% of the participant's regular income for their life.	\$147.60	\$73.80	\$128.71	\$64.36	\$117.70	\$58.85
Single Life Annuity	The participant receives regular income for life. Payments stop when the participant dies. A spouse or other survivor will receive no future income.	\$160.63	\$ 0.00	\$135.49	\$ 0.00	\$121.99	\$ 0.00
Life Annuity with 10 Year Certain Period (Other certain periods may be available)	The participant receives regular income for life. If the participant dies before ten years, the beneficiary (typically the spouse) receives either regular income for the rest of the certain period, or a single payment. If the participant dies after 10 years, the spouse or other survivor receives no income. The certain period cannot exceed the participant's life expectancy.	\$155.33	\$ 0.00	\$134.31	\$ 0.00	\$121.68	\$ 0.00
10-Year Fixed Period Annuity (Other fixed periods may be available)	The participant receives regular income for 10 years. If the participant dies before the 10-year period ends, the beneficiary (typically the spouse) receives regular income for life or a single payment. If the participant dies after 10 years, the spouse or other survivor receives no income. The fixed period cannot exceed the participant's life expectancy.	\$242.76	\$ 0.00	\$242.76	\$ 0.00	\$242.76	\$ 0.00
Cash Distribution \$25,000	The participant and spouse agree to take a lump sum cash distribution now and receive no future income.	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

# Your Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from the plan may be eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

**This notice describes the rollover rules that apply to any payments from the plan that are not from a designated Roth account (a type of account with special rules in some employer plans). If you also receive a payment from a designated Roth account in the plan, please refer to pages 5-8 with respect to that payment.**

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

## GENERAL INFORMATION ABOUT ROLLOVERS

### How can a rollover affect my taxes?

You will be taxed on a payment from the plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (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).

### Where may I roll over the payment?

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 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.

### How do I do a rollover?

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

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

If you do not do a direct rollover, you may still rollover by making a deposit within 60 days 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 received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

### How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- 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.
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

Call 1-800-547-7754, 7 a.m. - 9 p.m. Monday - Friday (Central Time) to find out 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 from a governmental plan made after you separate from service if you are a qualified public safety employee and you are at least age 50 in the year of the separation.
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- 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 active duty after September 11, 2001 for more than 179 days.
- 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, will the 10% additional income tax apply to early distributions from my 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. 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, (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

### **Will I owe state income taxes?**

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

## **SPECIAL RULES AND OPTIONS**

### **If your payment includes 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 generally 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 amounts 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 the 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**

The IRS may grant a waiver to the 60-day rollover requirement during an examination of your income tax return. For your eligibility, the contribution should be made to the plan within 30 days or as soon as practicable after the reason or reasons it was delayed no longer prevent you from making the contribution. Also, the IRS must not have previously denied a waiver of your related contribution. The IRS provides the following reasons for missing the 60-day deadline:

- An error was committed by the financial institution receiving the contribution or making the distribution to which the contribution relates
- The distribution, having been made in the form of a check, was misplaced and never cashed
- The distribution was deposited into and remained in an account that you mistakenly thought was an eligible retirement plan
- Your principal residence was severely damaged
- A member of your family died
- You or a member of your family was seriously ill
- You were incarcerated
- Restrictions were imposed by a foreign country
- A postal error occurred
- The distribution was made on account of a levy under Internal Revenue Code section 6331 and the proceeds of the levy have been returned to you
- The party making the distribution to which the rollover relates delayed providing information that the receiving plan or IRA required to complete the rollover despite your reasonable efforts to obtain the information.

If applicable, you may provide a written self-certification to a plan administrator that your contribution satisfies the conditions noted above. A model self-certification is provided within Revenue Procedure 2016-47 at [www.irs.gov](http://www.irs.gov). You should keep a copy of the certification in your files if requested during an audit. Self-certification is not a waiver by the IRS of the 60-day rollover requirement; however you may report the contribution as a valid rollover unless you are later informed otherwise by the IRS.

You may also apply for a waiver of the 60-day rollover deadline by filing 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 your payment includes employer stock that you do not roll over**

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the plan. If you do a rollover of a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan.

Call 1-800-547-7754, 7 a.m. - 9 p.m. Monday - Friday (Central Time) to find out the amount of any net unrealized appreciation.

### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the plan, your plan benefits may be offset by the amount of the loan, typically when you 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.

#### **If you were born on or before January 1, 1936**

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

#### **If 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 your payment includes employer stock that you do not roll over” and “If you were born on or before January 1, 1936” do not apply.

#### **If you are an eligible retired public safety officer and your pension 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 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 to a designated Roth account in the Plan**

You cannot roll over a distribution to a designated Roth account in another employer’s plan. However, you can roll the distribution over into a designated Roth account in the distributing plan. 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 distributing 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.

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.

**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 are less than \$200, the plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, mandatory cash out of more than \$1,000 (not including payments from a designated Roth account in the plan) will be directly rolled over to an IRA chosen by the plan administrator. A mandatory cash out is a payment from the 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 (or such lower amount stated in the plan) 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 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, or on the web at [www.irs.gov](http://www.irs.gov), or by calling 1-800-TAX-FORM.

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# Your Rollover Options

You are receiving this notice because all or a portion of a payment you are receiving from the plan may be eligible to be rolled over to a Roth IRA or designated Roth account in an employer plan. This notice is intended to help you decide whether to do a rollover.

**This notice only describes the rollover rules that apply to any payments from the plan that are from a designated Roth account, if such account is available in your employer's plan. If you receive a payment from the plan that is not from a designated Roth account, refer to the information on pages 1-4 with respect to that payment.**

Rules that apply to most payments from a designated Roth account are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

## GENERAL INFORMATION ABOUT ROLLOVERS

### How can a rollover affect my taxes?

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?

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 (a tax-qualified plan or a section 403(b) plan that will accept the rollover.). 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 either do a direct rollover or a 60-day rollover.

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

If you do not do a direct rollover, you may still do a rollover by making a deposit 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 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 received other than employer stock). 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
- ESOP dividends
- 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
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

Call 1-800-547-7754, 7 a.m. - 9 p.m. Monday - Friday (Central Time) to find out 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 a payment is not a qualified distribution and you are under age 59½, you will have to pay the 10% additional income tax on early distributions with respect to the earnings allocated to the payment that you do not roll over (including amounts withheld for income tax), unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the earnings 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 from a governmental plan made after you separate from service if you are a qualified public safety employee and you are at least age 50 in the year of the separation.
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- 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 active duty after September 11, 2001 for more than 179 days.
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

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

If you receive a payment from a Roth IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the earnings paid from the Roth IRA, unless an exception applies or the payment is a qualified distribution. In general, the exceptions to the 10% additional income tax for early distributions from a Roth IRA listed above are the same as the exceptions for early

distributions from a plan. However, there are a few differences for payments from a Roth IRA including:

- There is no special exception for payments after separation from service
- 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 a Roth 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, (3) payments after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

**Will I owe state income taxes?**

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

**SPECIAL RULES AND OPTIONS**

**If you miss the 60-day rollover deadline**

The IRS may grant a waiver to the 60-day rollover requirement during an examination of your income tax return. For your eligibility, the contribution should be made to the plan within 30 days or as soon as practicable after the reason or reasons it was delayed no longer prevent you from making the contribution. Also, the IRS must not have previously denied a waiver of your related contribution. The IRS provides the following reasons for missing the 60-day deadline:

- An error was committed by the financial institution receiving the contribution or making the distribution to which the contribution relates
- The distribution, having been made in the form of a check, was misplaced and never cashed
- The distribution was deposited into and remained in an account that you mistakenly thought was an eligible retirement plan
- Your principal residence was severely damaged
- A member of your family died
- You or a member of your family was seriously ill
- You were incarcerated
- Restrictions were imposed by a foreign country
- A postal error occurred
- The distribution was made on account of a levy under Internal Revenue Code section 6331 and the proceeds of the levy have been returned to you
- The party making the distribution to which the rollover relates delayed providing information that the receiving plan or IRA required to complete the rollover despite your reasonable efforts to obtain the information.

If applicable, you may provide a written self-certification to a plan administrator that your contribution satisfies the conditions noted above. A model self-certification is provided within Revenue Procedure 2016-47 at [www.irs.gov](http://www.irs.gov). You should keep a copy of the certification in your files if requested during an audit. Self-certification is not a waiver by the IRS of the 60-day rollover requirement; however you may report the contribution as a valid rollover unless you are later informed otherwise by the IRS.

You may also apply for a waiver of the 60-day rollover deadline by filing 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 your payment includes employer stock that you do not roll over**

If you receive a payment that is not a qualified distribution and you do not roll it over, you can apply a special rule to payments of employer stock (or other employer securities) that are paid in a lump sum after separation from service (or after age 59½, disability or the participant's death). Under the special rule, the net unrealized appreciation on the stock included in the earnings in the payment will not be taxed when distributed to you from the plan and will be taxed at capital gain rates when you sell the stock. If you do a rollover to a Roth IRA of a nonqualified distribution that includes employer stock (for example by selling the stock and rolling over the proceeds within 60 days of the distribution), you will not have any taxable income and the special rule relating to the distributed employer stock will not apply to any subsequent payments from the Roth IRA or employer plan. Net unrealized appreciation is generally the increase in the value of the employer stock after it was acquired by the plan.

Call 1-800-547-7754, 7 a.m. - 9 p.m. Monday - Friday (Central Time) to find out the amount of any net unrealized appreciation.

If you receive a payment that is a qualified distribution that includes employer stock and you do not roll it over, your basis in the stock (used to determine gain or loss when you later sell the stock) will equal the fair market value of the stock at the time of the payment from the plan.

### **If you have an outstanding loan that is being offset**

If you have an outstanding loan from the plan, your plan benefits 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, if the distribution is a nonqualified distribution, the earnings in the loan offset 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 a Roth IRA or designated Roth account in an employer plan.

### **If you receive a nonqualified distribution and 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 is not a qualified distribution and that you do not roll over, special rules for calculating the amount of the tax on the earnings in the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

### **If you receive a nonqualified distribution, are an eligible retired public safety officer, and your pension 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 nonqualified distributions 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 are not a plan participant**

Payments after death of 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, whether the payment is a qualified distribution generally depends on when the participant first made a contribution to the designated Roth account in the plan. Also, 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 receive a nonqualified distribution and 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 a Roth IRA, you may treat the Roth IRA as your own or as an inherited Roth IRA.

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 the surviving spouse, the only rollover option you have is to do a direct rollover to an inherited Roth IRA. Payments from the inherited Roth IRA, even if made in a nonqualified distribution, will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited Roth IRA.

Payments under a qualified domestic relations order. If you are the spouse or a 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 as described in this notice).

### **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 the 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 (only including payments from the designated Roth account in the plan) are less than \$200, the plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout from the designated Roth account in the plan of more than \$1,000 will be directly rolled over to a Roth IRA chosen by the plan administrator. A mandatory cashout is a payment from the 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 (or such lower amount stated in the plan) 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 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](http://www.irs.gov), or by calling 1-800-TAX-FORM.