Approaching Retirement

As you near retirement, you may start thinking about how to withdraw part of the assets in your State of Alaska 457 Deferred Compensation Plan (457 Plan). Funds may be withdrawn at any age in the event of separation from service (including retirement), a proven Unforeseeable Emergency (as defined by the Internal Revenue Code), or death. *Any withdrawal must be authorized by the State Department of Retirement and Benefits.*

There are no withdrawal fees or IRS penalties for any benefit payable. All funds are subject to federal income tax as they are paid out, unless the funds are rolled over to another plan. Deferred Compensation Plan monies can generally be rolled over to another governmental 457(b) plan, an IRA, or any other qualified plan(s) that accepts them.¹ When you become eligible for a full distribution, you generally have these options:

1. Leave your money in the State of Alaska 457 Plan.
2. Roll over to your new employer’s plan or an IRA.
3. Take a distribution, either partial or lump-sum or by purchasing an annuity. You can also set up a periodic payment plan to ensure that you receive regular payments.

More detailed information about these options is available on the other side of this page.

An important decision to consider is whether to leave your money in a tax-deferred account until retirement or take it out and pay the income taxes now.

For example, if a 45-year-old participant leaves a balance of $50,000 in a tax-deferred account with a hypothetical 6% average rate of return per year until age 65, that participant would have $165,510 when he or she retires. While you may have good intentions of investing your retirement money after taking a distribution, it may be too easy to spend the money.

The table to the right above shows the potential growth that could be missed if a participant cashed out all of his or her retirement plan account balance at age 45.

Now let’s look at what could happen to that $50,000 if the participant took a full or lump-sum distribution.

A mandatory 20% of the distribution, or $10,000, would be withheld to “pre-pay” the federal income tax. However, more or less than 20% may be owed, depending on the participant’s specific tax situation. Let’s say he or she is in the 25% tax bracket. At tax time, the participant will owe an additional 5%, or $2,500, as illustrated at right.

¹ You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.
Understand the Impact of Your Decision

<table>
<thead>
<tr>
<th>Option</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
</table>
| Leave your money in the State of Alaska 457 Deferred Compensation Plan. | • Money is tax-deferred.  
  • You have complete access to your account at any time after a distribution event.  
  • Plan offers a diverse selection of investment options.  
  • There are no tax consequences until distribution.  
  • Competitive monthly administrative fee is 0.0142%.  
  • You can access the full suite of Reality Investing® Advisory Services provided by Advised Assets Group, LLC (AAG), a federally registered investment adviser, to help with account management. | • Investment options are limited to those offered by the Plan. |
| Direct rollover to your new employer’s plan or an IRA.² | • Money remains tax-deferred.  
  • Your new employer’s plan or IRA may offer a diverse selection of investment options.  
  • In an IRA and most plans, you control access to your savings. | • Investment options are limited to those offered by the IRA provider or new employer.  
  • You may be subject to various additional fees on your account (distribution, etc.).  
  • A 10% early withdrawal federal tax penalty may apply if rolled into an employer’s 401(k), 403(b) or 401(a) plan or an IRA and a distribution is taken before age 59½. |
| Take a distribution. | • Money, less tax withholding, will be available immediately.  
  • You can still elect to roll over into a new employer’s plan or an IRA within 60 days.³ | • Savings are no longer tax-deferred.  
  • A mandatory 20% federal income tax withholding applies to distributions taken that are eligible for rollover.⁴  
  • Distributions are taxed as ordinary income in the year received unless rolled into a new employer’s plan or an IRA within 60 days of the distribution. |

There is no guarantee that participation in Reality Investing Advisory Services will result in a profit or that your account will outperform a self-managed portfolio.

Questions? For more information, visit the Website at www.akdrb.com or call KeyTalk® at 1-800-232-0859 toll-free, seven days a week, 24 hours a day (except between 10:00 p.m. Saturday and 10:00 a.m. Sunday, Alaska Time).⁵

² You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitation of investment options.  
³ If you elect to roll over within 60 days, you will be responsible for replacing the 20% withholding.  
⁴ Withdrawals are subject to ordinary income tax.  
⁵ Access to KeyTalk and/or any Website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company. Managed Accounts, Guidance and Advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser. More information can be found at www.adviserinfo.sec.gov. The trademarks, logos, service marks, and design elements used are owned by their respective owners and are used with permission. ©2015 Great-West Life & Annuity Insurance Company. Form# CBI027DO (02/2015) PT220216
Separation from Employment Withdrawal Request
Governmental 457(b) Plan

State of Alaska Deferred Compensation Plan 98214-01

When would I use this form?

When I am requesting a withdrawal and I am no longer employed by the employer/company sponsoring this Plan.

Additional Information
- For purposes of this form, the terminology ‘Separation’ is the same as ‘Severance’, ‘Employment’ is the same as ‘Service’ and ‘Withdrawal’ is the same as ‘Distribution’.
- By logging into my account on the website at www.akdrb.com, I may confirm the address that is on file and track the status of this withdrawal request.
- For questions regarding this form, refer to the attached Participant Withdrawal Guide ("Guide"), visit the website at www.akdrb.com or contact Service Provider at 1-800-232-0859.
- Use black or blue ink when completing this form.

A What is my personal information?

(Continue to the next section after completing.)

Account extension, if applicable, identifies funds transferred to a beneficiary due to participant’s death, alternate payee due to divorce or a participant with multiple accounts.

Account Extension
Social Security Number or Taxpayer Identification Number
(Must provide all 9 digits)

Last Name First Name M.I.

Division/Payroll Center

Email Address - By providing an email address above, I am consenting to receive emails related to this request.

Select One:
- U.S. Citizen
- U.S. Resident Alien
- Non-Resident Alien or Other

Country of Residence (Required)

B What is my reason for this withdrawal?

(Continue to the next section after completing.)

Must select only one reason.

Separation from Employment or Retirement Date (Required):

I have Separated from Employment
I have Retired

Required Minimum Distribution (Age 70½ or older)

C What type of withdrawal and how much am I requesting?

(Continue to the next section after completing.)

100% withdrawal will be the Maximum Amount Available

Effective Date: (Required if requesting a future dated withdrawal within the next 180 days. If left blank and request is in good order, withdrawal will be processed as soon as administratively feasible.)

Payable to Me as a One-time Withdrawal

Non-Roth Amount % or $ Investment Option:__________________________

Roth Amount % or $ Contribution Source:__________________________

If I am electing this option for my Required Minimum Distribution, I must enter a dollar amount. Percentages are unavailable.

- Net Amount (The amount I will receive after applicable income taxes and fees are withheld.)
- Gross Amount (The amount I will receive will be less than the amount requested after applicable income taxes and fees are withheld.)

100% Withdrawal With A Portion Payable to Me and the Remaining Balance as a Direct Rollover

Net Amount (The amount I will receive after applicable income taxes and fees are withheld.)

Gross Amount (The amount I will receive will be less than the amount requested after applicable income taxes and fees are withheld.)

Non-Roth

Payable to Me Amount % or $ (If the Payable to Me Amount is to fulfill my Required Minimum Distribution, I must enter a dollar amount. Percentages are unavailable.)

Direct Rollover Amount % or $ Eligible Retirement Plan:

- 401(a)
- 401(k)
- 403(b)
- Governmental 457(b)
- Traditional IRA
- Roth IRA (Taxable event - Subject to ordinary income taxes)
### What type of withdrawal and how much am I requesting?

100% withdrawal will be the Maximum Amount Available

(Continue to the next section after completing.)

<table>
<thead>
<tr>
<th>Roth</th>
<th>Payable to Me Amount</th>
<th>Direct Rollover Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% or $______________</td>
<td>% or $______________</td>
</tr>
</tbody>
</table>

Eligible Retirement Plan (Must have a designated Roth Account):
- [ ] 401(k)
- [ ] 403(b)
- [ ] Governmental 457(b)
- [ ] Roth IRA

- [ ] Rollover to an IRA or an Eligible Retirement Plan as a One-time Withdrawal

<table>
<thead>
<tr>
<th>Non-Roth</th>
<th>Eligible Retirement Plan</th>
<th>Amount</th>
<th>% or $______________</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>401(a) 401(k) 403(b) Governmental 457(b)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- [ ] Traditional IRA Amount % or $______________
- [ ] Roth IRA Amount % or $______________ (Taxable event - Subject to ordinary income taxes)

- [ ] Eligible Retirement Plan (Must have a designated Roth Account): 401(k) 403(b) Governmental 457(b)

<table>
<thead>
<tr>
<th>Roth</th>
<th>Amount</th>
<th>% or $______________</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- [ ] Roth IRA Amount % or $______________

**Required Minimum Distribution**

If I am requesting a 100% Withdrawal as a Direct Rollover and I am age 70½ or older by the end of this year, I am no longer working for the employer/company sponsoring this Plan, and if I have not yet satisfied my required minimum distribution for this year, my required amount must be distributed prior to processing this rollover request.

**Required Minimum Distribution Amount $___________________**

Unless I make a selection below, the Required Minimum Distribution will be prorated from all contribution sources.

Withdraw from (Select One):
- [ ] Non-Roth contribution sources only
- [ ] Roth contribution sources only

Complete Required Minimum Distribution portion of the “How will my income taxes be withheld?” section.

- [ ] Periodic Installment Payments (Complete the information below.)

- [ ] I am requesting to establish a new Periodic Installment Payment.
- [ ] I am making a change to an existing Periodic Installment Payment.
- [ ] I am requesting a one-time withdrawal payable to me of $__________ or _________% at the same time I am requesting this Periodic Installment Payment.

Unless I make a selection below, the payment will be calculated and prorated from all contribution sources.

**Deplete Non-Roth Contribution Sources First** *(Once the Non-Roth contribution sources are depleted, the payment will continue and will then be prorated between all available Roth contribution sources.)*

**OR**

**Deplete Non-Roth Contribution Sources Only** *(The payment will stop once the Non-Roth contribution sources are depleted.)*

**OR**

**Deplete Roth Contribution Sources Only** *(The payment will stop once the Roth contribution sources are depleted.)*

First Payment Processing Date: _____/_____/______ *(1st - 28th only)*

**Frequency - Select One:**
- [ ] Monthly
- [ ] Quarterly
- [ ] Semi-Annually
- [ ] Annually

**Payment Type - Select One:**
- [ ] Amount Certain *(Gross Amount Only)* $______________
- [ ] Period Certain *(Specific Number of Years)* _________
C What type of withdrawal and how much am I requesting?

100% withdrawal will be the Maximum Amount Available

- Fixed Annuity Purchase (Complete information below)
  - I need to attach the IRS Form W-4P and, if applicable, state income tax withholding form.
  - Full Fixed Annuity $ ______________
  - Partial Fixed Annuity $ ______________
  - Purchase Date: _____/_____/______
  - First Payment Processing Date: _____/_____/______ (1st - 28th only)
  - Frequency: Monthly

- Income for a Period Certain
  - 5-Year Certain Annuity
  - 10-Year Certain Annuity
  - 15-Year Certain Annuity

- Fixed Life Annuity
  - Single Life Annuity
  - Single Life Annuity with 10-Year Certain
  - Single Life Annuity with 15-Year Certain

- Joint Life (Attach copy of Birth Certificate or Driver's License for both primary and joint annuitants)
  - 50% Joint & Survivor Annuity
  - 100% Joint & Survivor Annuity
  - Joint Annuitants' Name: _____________________________________________
  - Relationship: __________________

D If I am requesting a Rollover,
To whom do I want my withdrawal payable and where should it be sent?

(Continue to the next section after completing.)

Do not complete if requesting Payable to Me or Fixed Annuity Purchase.

- Non-Roth
  - Name of Trustee/Custodian/Provider (To whom the check is made payable)
  - Mailing Address
  - City/State/Zip Code
  - Account Number
  - Retirement Plan Name (if applicable)

- Roth
  - Name of Trustee/Custodian/Provider (To whom the check is made payable)
  - Mailing Address
  - City/State/Zip Code
  - Account Number
  - Retirement Plan Name (if applicable)

- If I would like to direct Roth earnings to a Rollover payee other than the one listed below, I must attach a letter of instruction listing the same information that is required in this section and must include the type of payee, my name, social security number, signature and date.

E How do I want my withdrawal delivered?

(Continue to the next section after completing.)

Select One - Delivery of payment is based on completion of the withdrawal process, which includes receipt of a complete request in good order and additional/required information from my employer.

- If no option is selected, all transactions will be sent by United States Postal Service ("USPS") regular mail.
- Check by USPS Regular Mail
  - Estimated delivery time is 7-10 business days
  - No additional charge
- Check by Express Delivery
  - Estimated delivery time is 1-2 business days
  - A non-refundable charge of up to $25.00 will be deducted, in addition to any withdrawal fees, for each transaction.
  - For example, if I elected to make a full withdrawal with a portion payable to me and the remainder rolled over to an eligible plan, and I have Non-Roth and Roth money sources, there will be 4 different transactions and I may be charged up to a total of $100.00 for the Express delivery fees.
  - Not available for Periodic Installment/Annuity Payments
  - Available for delivery, Monday - Friday, with no signature required upon delivery
  - If address is a P.O. Box, check will be sent by USPS Express and estimated delivery time is 2-3 business days.
E How do I want my withdrawal delivered? (Continue to the next section after completing.)

Select One - Delivery of payment is based on completion of the withdrawal process, which includes receipt of a complete request in good order and additional/required information from my employer.

- Direct Deposit via Automated Clearing House ("ACH")
  - Estimated delivery time is 2-3 business days
  - A non-refundable charge of up to $15.00 will be deducted, in addition to any withdrawal fees, for each transaction.
  - For example, if I elected to make a full withdrawal payable to me, and I have both Non-Roth and Roth money sources, there will be 2 different transactions and I may be charged up to a total of $30.00 for the ACH delivery fees.
  - Not available for Direct Rollovers
  - Available for Periodic Installment/Annuity Payments at no charge
  - If I have requested a periodic installment payment and my first payment processing date does not allow for the 10 day pre-notification process, I understand that my first payment will be sent by check to my address on file.
  - The name on my checking/savings account MUST match the name on file with Service Provider.
  - Failure to provide mandatory supporting documentation will result in a significant delay in my request.
  - Checking Account - MUST include a copy of a preprinted voided check for the receiving account. I may also attach a letter on financial institution letterhead, signed by a representative from the receiving institution, which includes my name, checking account number and ABA routing number.
  - Savings Account - MUST include a letter on financial institution letterhead, signed by a representative from the receiving institution, which includes my name, savings account number and ABA routing number.

An ACH request cannot be sent to a prepaid debit card, business account or other retirement Plan. If the ACH information outlined above is missing, incomplete or inaccurate, this request may be rejected and my withdrawal may be delayed. By requesting my withdrawal via ACH deposit, I certify, represent and warrant that the account requested for an ACH deposit is established at a financial institution or a branch of a financial institution located within the United States and there are no standing orders to forward any portion of my ACH deposit to an account that exists at a financial institution or a branch of a financial institution in another country. I understand that it is my obligation to request a stop to this ACH deposit request if an order to transfer any portion of payments to a financial institution or a branch of a financial institution outside the United States will be implemented in the future. Service Provider reserves the right to reject the ACH request and deliver any payment via check in lieu of direct deposit.

- Wire Transfer
  - Estimated delivery time is 1-2 business days
  - A non-refundable charge of up to $40.00 will be deducted, in addition to any withdrawal fees, for each transaction.
  - For example, if I elected to make a full withdrawal with a portion payable to me and the remainder rolled over to an eligible plan, and I have Non-Roth and Roth money sources, there will be 4 different transactions and I may be charged up to a total of $160.00 for the Wire transfer delivery fees.
  - Not available for Periodic Installment/Annuity Payments
  - MUST include a letter on financial institution letterhead, signed by a representative from the receiving institution, which provides the wire transfer instructions. The letter must include the following wire transfer information: Bank Name, complete Bank Mailing Address, including City, State and Zip Code, Account Name, Account Number, ABA Routing Number and 'For Further Credit to' Name and Account Number.
  - Additional fees may apply at the receiving financial institution.
  - Service Provider is not responsible for inaccurate wire transfer instructions.

F How will my income taxes be withheld? (Continue to the next section after completing.)

Not applicable if requesting a Rollover, unless I need to satisfy my required minimum distribution.

I should refer to the Department of Revenue for my state of residence.

If applicable, I must attach IRS Form W-4P and/or my State Income Tax withholding form to make tax elections when required. In the event these forms are required for my withdrawal and not submitted, Service Provider will withhold in accordance with applicable Federal and State regulations.

Federal Income Tax
- Federal Income Tax will be withheld based on the reason and type of withdrawal I have selected.
  - I would like additional Federal Income Tax withholding (Optional): % or $.
    (This is in addition to any mandatory Federal Income Tax withheld based on the reason and type of withdrawal I have selected.)

Required Minimum Distribution Only (Age 70½ or Older)
- 10% of my taxable distribution will be withheld for Federal Income Tax, unless I check the box below:
  - Do not witheld 10% Federal Income Tax from my Required Minimum Distribution.
  - I would like additional Federal Income Tax withholding (Optional): % or $.
    (This is in addition to any 10% Federal Income Tax withholding)

State Income Tax
- State Income Tax withholding is mandatory in some states and will be withheld regardless of any election below. I would like additional State Income Tax withholding: % or $.
  (This is in addition to any mandatory State Income Tax withheld based on the reason and type of withdrawal.)

  - Certain states allow an election for no State Income Tax withholding depending on the reason and type of withdrawal I have selected. For these states only, State Income Tax will be withheld unless I elect otherwise below.
    - If the checkbox is not marked below, I choose to have State Income Tax withheld from my withdrawal. I would also like to have additional State Income Tax withholding:
    % or $.
      (This is in addition to any elective State Income Tax withheld based on the reason and type of withdrawal.)

  - I would like additional State Income Tax withholding (Optional): % or $.
    (This is in addition to any mandatory State Income Tax withheld based on the reason and type of withdrawal.)

  - Do not withhold State Income Tax (if election is permitted and I have attached the proper election form if required by my state).
F  How will my income taxes be withheld?
(Continue to the next section after completing.)

Not applicable if requesting a Rollover, unless I need to satisfy my required minimum distribution.

- Certain states do not require mandatory State Income Tax withholding but allow to elect State Income Tax withholding depending on the reason and type of withdrawal I have selected.

☐ I would like State Income Tax withheld - Optional State Income Tax withholding:

% or $

(If this optional income tax election is permitted, I also have attached the proper income tax election form if required by my state to elect this optional withholding).

G  Signatures and Consent
(After receiving ALL required signatures, continue to the next section.)

My Consent

I acknowledge that I have read, understand and agree to all pages of this Separation from Employment Withdrawal Request, the Participant Withdrawal Guide and the 402(f) Notice of Special Tax Rules on Distributions and affirm that all information that I have provided is true and correct.

I understand the following:

- Any election on this Withdrawal Form is effective for 180 days.
- It is my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code") and that the Plan into which I am rolling money over will accept the dollars, if applicable.
- I am liable for any income tax and/or penalties assessed by the IRS and/or state tax authorities for any election I have chosen.
- Once a payment has been processed, it cannot be changed or reversed.
- In the event that any section of this form is incomplete or inaccurate, Service Provider may not process the transaction requested on this form and may require a new form or that I provide additional or proper information before the transaction can be processed.
- Funds may impose redemption fees on certain transfers, redemptions or exchanges if assets are held less than the period stated in the fund’s prospectus or other disclosure documents. I will refer to the fund’s prospectus and/or disclosure documents for more information.
- Under penalty of perjury, I certify that the Social Security Number (or Taxpayer Identification Number) shown in Section A is correct. I am a U.S. person if I marked U.S. citizen or U.S. resident alien box in Section A.
- The Service Provider is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, Service Provider cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC website at: http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx.
- For at least 30 days after my receipt of the 402(f) Notice of Special Tax Rules on Distributions, I have the right to consider whether to consent to a withdrawal of the vested account balance or elect a direct rollover of any vested portion of the eligible rollover withdrawal. By signing this form less than 30 days after I received the 402(f) Notice of Special Tax Rules on Distributions, I affirmatively waive any unexpired portion of the 30 day period and affirmatively elect a withdrawal from the account pursuant to this Separation from Employment Withdrawal form.
- My withdrawal may be subject to fees and/or loss of interest based upon my investment options, my length of time in the Plan and other possible considerations. If I have not been advised of the fees and risks associated with my withdrawal, I may contact Service Provider for a withdrawal quote at 1-800-232-0859.
**Signatures and Consent**

*(After receiving ALL required signatures, continue to the next section.)*

<table>
<thead>
<tr>
<th>My Consent</th>
</tr>
</thead>
<tbody>
<tr>
<td>In completing this form, I acknowledge that a person who knowingly makes a false statement or falsifies, or permits to be falsified, a record of the retirement system in an attempt to defraud the system, is guilty of a class A misdemeanor, which, upon conviction, is punishable by a fine of not more than $500.00 or by imprisonment for not more than twelve months or both. AS 39.35.670; AS 11.56.210. I also acknowledge that a person who obtains funds and/or benefits by deception may be subject to prosecution for other crimes, including theft, which may be charged as misdemeanors or felonies with potential fines and penalties including imprisonment. I also acknowledge that a person who obtains funds and/or benefits from the system unlawfully may also be required to make restitution. Any person who presents a false or fraudulent claim is subject to criminal and civil penalties. Before signing this form: <em>I must</em> sign this form in the presence of a Notary Public or my authorized Plan Administrator if my withdrawal request will include a change of address or check delivery to an alternate mailing address. The date that I sign this form must match the date of the Notary Public or Plan Administrator signature.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>My Signature</th>
<th>Date (Required)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>My Change of Address/Alternate Address Notarization</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>May also be witnessed by my authorized Plan Administrator in the below section.</em></td>
</tr>
</tbody>
</table>

- **Permanent Address Change** - I would like the address on my account to be updated with this address. If I am requesting a check, I understand that it will be mailed to this address.

<table>
<thead>
<tr>
<th>Mailing Address</th>
<th>City/State/Zip Code</th>
</tr>
</thead>
</table>

- **Alternate Mailing Address** - I would like my withdrawal check to be sent to the following alternate mailing address. I understand that this address will be used for this withdrawal only.

<table>
<thead>
<tr>
<th>Alternate Mailing Address</th>
<th>City/State/Zip Code</th>
</tr>
</thead>
</table>

**For Residents of all states (except California),** please have your notary complete the section below.

**Notice to California Notaries using the California Affidavit and Jurat Form** the following items must be completed by the notary on the state notary form: the title of the form, the plan name, the plan number, the document date, and the participant’s name. The notary forms not containing this information will be rejected and it will delay this request.

*The date I sign this form must match the date on which my signature in ‘My Consent’ section was notarized or witnessed.*

<table>
<thead>
<tr>
<th>Statement of Notary</th>
<th>NOTE: Notary seal must be visible.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This request was subscribed and sworn <em>(or affirmed)</em> to before me</td>
</tr>
<tr>
<td>State of</td>
<td>on this ____ day of ____________, year __________, by</td>
</tr>
<tr>
<td>)ss. <em>(name of participant)</em></td>
<td></td>
</tr>
<tr>
<td>County of ___________</td>
<td>proved to me on the basis of satisfactory evidence to be the person who appeared before me.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notary Public</th>
<th>My commission expires / /</th>
</tr>
</thead>
</table>

**My Authorized Plan Administrator Signature**

This request is in compliance with the terms of the Plan and a written explanation of the tax rules and any Internal Revenue Service, Department of Labor or other notice requirements applicable to this request have been provided to the participant as required by law. The appropriate consent and waivers have been obtained by the Plan Administrator and Service Provider is authorized to rely on the information provided on this request. I approve this withdrawal as it is presented on this form.

If the participant request includes either a permanent address change or an alternate mailing address and the participant’s signature is not notarized, I certify that this request was signed by the participant in my presence. The date that I sign this form must match the date the participant has signed.

I represent that I am an authorized signer on behalf of the above-named Plan and have an authority to instruct Service Provider to process this form.

<table>
<thead>
<tr>
<th>Authorized Plan Administrator Signature</th>
<th>Date (Required)</th>
</tr>
</thead>
</table>
Where should I send this form?

After all signatures have been obtained, this form can be sent by
Fax to: Empower Retirement
1-303-801-5800

OR

Regular Mail to: Empower Retirement
PO Box 173764
Denver, CO 80217-3764

OR

Express Mail to: Empower Retirement
8515 E. Orchard Road
Greenwood Village, CO 80111

Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Empower Retirement refers to the products and services offered in the retirement markets by Great-West Life & Annuity Insurance Company (GWL&A), Corporate Headquarters: Greenwood Village, CO; Great-West Life & Annuity Insurance Company of New York, Home Office: White Plains, NY; and their subsidiaries and affiliates. All trademarks, logos, service marks, and design elements used are owned by their respective owners and are used by permission.
The Separation from Employment Withdrawal Request

Before completing the form, please note the following information:

- I must be eligible to receive a withdrawal from my employer’s Plan.
- All pages of the Separation from Employment Withdrawal Request form (“Withdrawal Form”) must be returned excluding the Participant Withdrawal Guide and the 402(f) Notice of Special Tax Rules on Distributions.
- Neither this Guide nor this Withdrawal Form are intended to provide tax or legal advice. In the preparation of this Withdrawal Form, and where I deem appropriate, I will seek a consultation with my accountant and/or tax advisor.
- Empower Retirement (“Service Provider”) cannot release the funds until my employer approves the withdrawal from the Plan.
- I must complete a separate Withdrawal Form for each account or plan number.
- If I am a Beneficiary, I need to complete and submit a Death Benefit Claim Request form rather than this Withdrawal Form.
- If I am an Alternate Payee, I need to complete and submit an Alternate Payee QDRO Distribution Request rather than this Withdrawal Form.

Changes to My Request

- Any changes to this Withdrawal Form must be crossed-out and initialed. If I do not initial all changes, this Withdrawal Form may be returned to me for verification.

Incomplete or Inaccurate Information

- In the event that any section of this Withdrawal Form is incomplete or inaccurate, Service Provider may not be able to process the transaction requested on this Withdrawal Form. I may be required to complete a new form or provide additional or proper information before the transaction will be processed.

Section A: What is my personal information?

- All information in this section must be completed.
- Personal information will be kept confidential.

Section B: What is my reason for this withdrawal?

- I must designate only one withdrawal reason in order for my request to be processed. If more than one withdrawal reason is elected, this Withdrawal Form may be returned to me for further clarification.
- Once Service Provider has processed a withdrawal, it cannot be returned.
- The following is a brief explanation of each of the withdrawal reasons and associated requirements listed on this Withdrawal Form.

I have Separated from Employment/Retired

- I would check this box to request a withdrawal from my account due to my separation from employment/retirement from the employer/company sponsoring this Plan.
- I must indicate the date of separation from employment/retirement on the line provided.

Required Minimum Distribution (Age 70½)

- I must be separated from employment to be able to select this option and I must enter the date that I separated from employment on the line provided.
- I would check this box if I am age 70½ or older and I want to take a one-time withdrawal of my required minimum amount. I will be responsible for calculating my required minimum amount every year and completing this Withdrawal Form to request payment.
- If I would prefer to have my required minimum amount automatically calculated and sent to me each year, I must request an Automated Minimum Distribution Request form. Once the Automated Minimum Distribution Request form is completed and received by Service Provider, I will receive my required amount without additional paperwork.

Section C: What type of withdrawal and how much am I requesting?

- I must designate a type of withdrawal in order for my request to be processed.
- Once Service Provider has processed a withdrawal, it cannot be returned.
- Certain fees, charges (including contingent deferred sales charge) and/or limitations may apply.
- Unless the plan has directed otherwise, the withdrawal will be prorated against all available investment options under Non-Roth and/or Roth as elected on the form, and all available contribution sources.
- The following is a brief explanation of each type of withdrawal listed on this Withdrawal Form.

Payable to Me as a One-time Withdrawal

- I would check this box to have my withdrawal made payable to me and enter the requested amount.
- If I select the Net Amount box, the actual withdrawal amount will be greater than the withdrawal amount received to account for applicable income taxes and fees.
- If I select the Gross Amount box, applicable income taxes and fees will be withheld from the gross amount, resulting in an amount less than the requested amount. If both or neither check box is marked, the request will be processed as a Gross Amount.
- If I am electing a partial withdrawal, I must indicate the percent or amount in the lines provided.
- If I am electing this option for my Required Minimum Distribution, I must enter a dollar amount. Percentages are unavailable.
- If I am taking a withdrawal from a specific investment option, I would enter it on the line provided. If I do not enter a investment option, my withdrawal will be prorated against all of my available investment options under Non-Roth and/or Roth as elected on the form, and all available contribution sources.

100% Withdrawal With A Portion Payable to Me and the Remaining Balance as a Direct Rollover

- I would enter the requested amount of Non-Roth and Roth assets to be paid to me and the remaining balance will be withdrawn as a direct rollover.
- If I select the Net Amount box, the actual withdrawal amount will be greater than the withdrawal amount received to account for applicable income taxes and fees.
- If I select the Gross Amount box, applicable income taxes and fees will be withheld from the gross amount, resulting in an amount less than the requested amount. If both or neither check box is marked, the request will be processed as a Gross Amount.
- An eligible rollover withdrawal of my Non-Roth assets may be paid directly to Roth IRA. Mandatory Federal and State Income Tax withholding does not apply to this type of rollover. However, this withdrawal is subject to Federal and State Income Tax withholding and I am responsible for making tax payments. The taxable withdrawal will be reported on IRS Form 1099-R. Makable withdrawal will be reported on IRS Form 1099-R. Making an estimated tax payment to the IRS and an appropriate state authority at the time of this rollover may be one of the options to cover this tax liability. Where I deem appropriate, I will seek a consultation with my tax advisor.
- I may request my designated Roth assets to be rolled over into an eligible retirement Plan with a designated Roth account or into a Roth IRA at another retirement provider. It is my responsibility to make sure that the new employer’s Plan provides for a designated Roth account and can accept Roth rollovers.
• The rollover may not be completed if the acceptance letter and the form provide conflicting information. I may be contacted to provide additional information.

• Required Minimum Distributions are not eligible for rollover.

Rollover to an IRA or an Eligible Retirement Plan as a One-time Withdrawal
• It is my responsibility to determine if the IRA or an eligible retirement plan accepts eligible rollover withdrawals.

• I would check this box to have my withdrawal sent to an IRA or an eligible retirement plan or New Employer’s Plan and enter the requested amount.

• The withdrawal will be prorated against all of my available investment options under Non-Roth and/or Roth as elected on the form, and all available contribution sources as allowed by IRS regulations.

• An eligible rollover withdrawal of my Non-Roth assets may be paid directly to a Roth IRA. Mandatory Federal and State Income Tax withholding does not apply to this type of rollover. However, this withdrawal is subject to Federal and State Income Tax withholding and I am responsible for making tax payments. The taxable withdrawal will be reported on IRS Form 1099-R. Making an estimated tax payment to the IRS and an appropriate state authority at the time of this rollover may be one of the options to cover this tax liability. Where I deem appropriate, I will seek a consultation with my tax advisor.

• I may request my designated Roth assets to be rolled over into an eligible retirement Plan with a designated Roth account or into a Roth IRA.

• It is my responsibility to make sure that the eligible retirement plan provides for a designated Roth account and can accept Roth rollovers.

• The rollover may not be completed if the acceptance letter and the form provide conflicting information. I may be contacted to provide additional information.

• I must complete the Required Minimum Distribution information if I am age 70½ or older and I am requesting a 100% withdrawal as a direct rollover unless I have already satisfied my required minimum distribution for the year.

• Required Minimum Distributions are not eligible for rollover.

Periodic Installment Payments
• If I am requesting to establish a new periodic installment payment, I would check the box before "I am requesting to establish a new Periodic Installment Payment." I would then fill in the First Payment Processing Date, Frequency and Payment Type. See Periodic Installment Payment Options below for explanation of the options available.

• If I have an existing periodic installment payment and I would like to change the frequency or payment date, I would check the box before "I am making a change to an existing Periodic Installment Payment." I would then fill in the information that I want changed.

• If my request is to establish a new periodic installment payment but I would also like to take a one-time partial withdrawal, I would check the box before "I am also requesting a one-time withdrawal..." and enter the dollar amount or percentage on the line provided. I would then fill in the First Payment Processing Date, Frequency and Payment Type. See Periodic Installment Payment Options below for explanation of the options available.

• Unless I make a selection on the form for my Non-Roth and Roth contribution sources, the payment will be calculated and prorated from all contribution sources.

Periodic Installment Payment Options
First Payment Processing Date
• I must select a First Payment Processing Date. The First Payment Processing Date is the date the funds will be withdrawn from my account.

• I may choose any day between the 1st and the 28th for my First Payment Processing Date. If my chosen date falls on a non-business day (weekend, holiday, etc.) then my payment will distribute on the next available business day.

• Allow 5-10 business days from the First Payment Processing Date to receive the withdrawal.

Frequency
• I must select the frequency of my payment from the available options.

Payment Type
Amount Certain (Gross Amount Only)
• I would select this option if I wish to receive specific dollar amount payments on an installment basis.

• The payments will continue until my account balance is zero.

• The number of payments I receive will vary depending on the performance of my underlying investment options.

Period Certain (Specific Number of Years)
• I would select this option if I wish to receive a set number of periodic installment payments.

• Payment amounts will depend on the account value, which may fluctuate depending upon my chosen investments’ performance, the number of years I elect to receive payments and the frequency chosen.

• The payment amount will be calculated by dividing my current vested account balance by the number of remaining payments and is recalculated each time a payment is distributed; therefore, the amount of each payment typically differs. For example, if the payout is to be annually for 4 years, the initial payout amount will be equal to ¼ of my account balance. The second payment will be ½ of my balance. The third payment will be ¼ and the final payment will be the remainder of the account balance, resulting in a zero account balance.

Fixed Annuity Purchase
• An annuity is a payment option that can guarantee a retirement income for a fixed period or life.

• I will receive payments on the systematic basis that I have elected.

• Payments made under a fixed annuity option will not change for as long as the annuity period continues.

• To request an annuity quote, review the annuity options that follow and call the Alaska Division of Retirement and Benefits at 1-800-821-2251.

• The insurance company issuing the annuity will make annuity payments and will deduct the applicable income tax withholding.

• Once an annuity option is selected, I may not select a different withdrawal method or change to another fixed annuity option.

• To select this method, the minimum annuity purchase amount is $2,000.00 and each payment must be at least $50.00.

• I am responsible for ensuring that the fixed annuity option as elected meets the required minimum distribution, if applicable.

Fixed Annuity Purchase Options
Purchase Date
• The purchase date is the date the funds are withdrawn from my existing account and placed into a fixed annuity.

• The purchase date may vary depending on the underlying investment options.

• If the purchase date is not a business day, the purchase date will default to the next business day.

• The selected purchase date must be prior to the payment start date and cannot be prior to having terminated employment and having met the 60 day termination requirement.

• The interest rate applied will be the annuity rate in effect on the actual purchase date or the annual guaranteed plan rate, whichever is higher.

• If a purchase date is not entered, the purchase date will automatically be the date a properly completed Withdrawal Form is received by Service Provider and termination requirements have been met.

• The purchase date cannot be more than 180 days from the date I complete this Withdrawal Form.
First Payment Processing Date
- The First Payment Processing Date is the date the funds will be distributed from my account.
- The first withdrawal may be delayed 5-10 business days as my annuity account is established.
- The First Payment Processing Date cannot be more than 90 days after the purchase date.
- I am responsible for ensuring that the fixed annuity option as elected meets the required minimum distribution, if applicable.

Payment Type
Income for a Period Certain (Number of Years)
- This option allows me to select a specific number of years for which I will receive annuity payments (5, 10 or 15).
- The insurance company issuing the annuity will determine the amount of the payments.
- If I die before my entire annuitized balance is distributed, my beneficiary will receive all remaining annuity payments, if any.

Fixed Life Annuity with Guaranteed Period
- This option allows me to select monthly annuity payments for the guaranteed payment period I have chosen (10 or 15 years) or for my lifetime, whichever is longer.
- If I die before the expiration of my elected guaranteed period, my beneficiary will receive all remaining payments, if any.
- I must attach a copy of my birth certificate or driver's license.

Fixed Life Annuity - Life Only, No Death Benefit
- This option allows me to select monthly annuity payments for my lifetime.
- All benefits stop upon my death.
- I must attach a copy of my birth certificate or driver's license.

Joint Life
- This option allows me to select monthly annuity payments for my lifetime.
- Upon my death, my surviving joint annuitant will receive a pre-elected percentage (100% or 50%) of the original payment amount for his or her lifetime.
- For example, if I elect a joint and 50% annuity, my surviving annuitant will continue to receive fixed monthly payments equaling one half of the amount received while we were both living.
- I must attach a copy of both annuitants' birth certificates or drivers' licenses.

Section D: To whom do I want my withdrawal payable and where should it be sent?
- It is my responsibility to make sure that the Trustee/Custodian/Provider information provided is accurate.
- Service Provider is not responsible for misdirected payments due to incorrect information or address.
- If I elected to have my withdrawal sent to another retirement provider, I must provide the requested information for the receiving Trustee/Custodian/Provider for my Non-Roth and Roth contribution sources.
- If I would like to direct Roth earnings to a Rollover payee other than the one listed in this section, I must attach a letter of instruction listing the same information that is required in this section and must include the type of payee, my name, social security number, signature and date.

Section E: How do I want my withdrawal delivered?
- Certain delivery options are not available on all types of withdrawals.
- Delivery of payment is based on completion of the withdrawal process, which includes receipt of a complete request in good order and additional/required information from my employer.
- I must select a delivery option from the choices provided. If I do not make any selection, all transactions will be sent by regular mail.
- Below is a description of each delivery option.

Check by USPS Regular Mail
- Estimated delivery time is 7-10 business days
- No additional charge
- If the check is payable to me, it will be sent to the address on file unless an address change or alternate address is indicated in the 'Signatures and Consent' section of the form and is properly notarized or witnessed.
- If the check is payable to another retirement provider, it will be sent to the address indicated in Section D.

Check by Express Delivery
- Estimated delivery time is 1-2 business days
- A non-refundable charge of up to $25.00 will be deducted, in addition to any withdrawal fees, for each transaction.
- For example, if I elected to make a full withdrawal with a portion payable to me and the remainder rolled over to an eligible plan, and I have Non-Roth and Roth money sources, there will be 4 different transactions and I may be charged up to a total of $100.00 for the Express delivery fees.
- Not available for Periodic Installment/Annuity Payments
- Available for delivery, Monday-Friday, with no signature required upon delivery
- If the check is payable to me, it will be sent to the address on file unless an address change or alternate address is indicated in the 'Signatures and Consent' section and is properly notarized or witnessed.
- If the check is payable to another retirement provider, it will be sent to the address indicated in Section D.
- If the address is a P.O. Box, the check will be sent by USPS Express and estimated delivery time is 2-3 business days.
- Delivery is not guaranteed to all areas

Direct Deposit via Automated Clearing House ("ACH")
- I would elect this option if I want my payment to be electronically deposited into my personal checking or savings account.
- Estimated delivery time is 2-3 business days
- A non-refundable charge of up to $15.00 will be deducted, in addition to any withdrawal fees, for each transaction.
- For example, if I elected to make a full withdrawal payable to me, and I have both Non-Roth and Roth money sources, there will be 2 different transactions and I may be charged up to a total of $30.00 for the ACH delivery fees.
- Not available for Direct Rollovers
- Available for Periodic Installment/Annuity Payments at no charge
- If I have requested a periodic installment payment and my first payment processing date does not allow for the 10 day pre-notification process, I understand that my first payment will be sent by check to my address on file.
- The name on my checking/savings account MUST match the name on file with Service Provider.

I must attach a copy of both annuitants' birth certificates or drivers' licenses.

For example, if I elected to make a full withdrawal payable to me, and I have both Non-Roth and Roth money sources, there will be 4 different transactions and I may be charged up to a total of $100.00 for the Express delivery fees.
Section F: How will my income taxes be withheld?

Withdrawal withholding will vary depending on the type of withdrawal I am requesting.

I have received and must read the attached 402(f) Notice of Special Tax Rules on Distributions, which provides additional income tax withholding information.

If I do not have sufficient Federal or State Income Tax withheld from my withdrawal, I will be responsible for payment of estimated tax and/or may incur penalties under estimated tax rules.

If applicable, I have attached IRS Form W-4P and/or my State’s Income Tax withholding form to make tax elections when required. In the event these forms are required for my withdrawal and not submitted, Service Provider will withhold in accordance with applicable Federal and State regulations.

If I need and as I see applicable, I will consult with my tax advisor to determine my appropriate tax withholding.

Federal Income Tax Withholding

Generally, twenty percent (20%) mandatory Federal Income Tax withholding will apply to the taxable amount of all withdrawals paid directly to me unless an exception applies.

Early Withdrawal Penalty

I may be subject to an additional ten percent (10%) tax penalty for withdrawals if I am under the age of 59½, unless another exception to the early withdrawal penalty applies.
Required Minimum Distributions (Age 70½ or older)
- A ten percent (10%) Federal Income Tax withholding will apply to the taxable amount of my withdrawal, unless I elect not to have Federal Income Tax withheld.
- If I wish to have additional Federal Income Taxes withheld, I may elect so by entering a percentage or dollar amount on the line provided.

Direct Rollovers
- Direct rollovers are not subject to Federal Income Tax withholding.
- A rollover of Non-Roth assets to a Roth IRA are subject to Federal Income Tax and will be reported as taxable income to me.
- I am responsible for paying any income tax due on this withdrawal.

Periodic Installment Payments
- Twenty percent (20%) mandatory Federal Income Tax withholding will apply to the taxable amount of all amount certain or period certain periodic installment payments scheduled to continue for less than ten (10) years.
- If my periodic installment payments are payable over my life expectancy or are scheduled to continue for a period certain of more than ten (10) years, it is suggested that I complete and attach an IRS Form W-4P to this Withdrawal Form.

Fixed Annuities
- I need to complete and attach an IRS Form W-4P to this Withdrawal Form.

Income Tax Withholding Applicable to Payments Delivered Outside the U.S.
- If I have an additional State Income Tax withheld, I may elect so by entering a percentage or dollar amount on the line provided.
- I am responsible for paying any income tax due on this withdrawal.

State Income Tax Withholding
- If I am a U.S. citizen or U.S. resident alien and my payment is to be delivered outside the U.S. or its possessions, I may not elect out of Federal Income Tax withholding.

Alternate Mailing Address
- Any request for an alternate mailing address must be notarized or witnessed by my authorized Plan Administrator.

Section G: Signatures and Consent

My Consent
- My signature and the date of my signature are required.
- I attest to receiving, reading, understanding and agreeing to all provisions of this Withdrawal Form Request, the Participant Withdrawal Guide and the 402(f) Notice of Special Tax Rules on Distributions.

My Change of Address/Alternate Address Notarization
Permanent Address Change
- I would check this box if I would like for Service Provider to update the address on file to this new permanent address. If I am requesting a check, I understand that it will be mailed to this address.
- I must notify my employer of my address change.
- Any changes to my address must be notarized or witnessed by my authorized Plan Administrator.

Alternate Mailing Address
- I would check this box if I would like Service Provider to mail my withdrawal check to the alternate address provided. This will not update my permanent address. This alternate address will be used for this withdrawal only.
- Any request for an alternate mailing address must be notarized or witnessed by my authorized Plan Administrator.

My Authorized Plan Administrator Signature
- My authorized Plan Administrator signature is required in order for this Withdrawal Form to be processed.

Section H: Where should I send this form?

- Once I have completed this Withdrawal Form, including obtaining all signatures, I must forward it according to the instructions listed in this section.
- If I have elected to fax this Withdrawal Form to Service Provider, I need to allow 2-4 hours for fax receipt before I check on the fax status.

Once I have completed this Withdrawal Form, including obtaining all signatures, I must forward it according to the instructions listed in this section.
Required Information

Important Note

- Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state, and local tax laws may be revised, and new Plan provisions may be adopted by the Plan. For the most up to date version of this Guide, please visit the website at www.akdrb.com or call Client Service at 1-800-232-0859.
- Access to KeyTalk® or the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades, maintenance or for other reasons.
- For more information about available investment options, including fees and expenses, I may obtain applicable prospectuses and/or disclosure documents from my registered representative. Read them carefully before investing.
402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS

For Payments Not From a Designated Roth Account

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the State of Alaska Deferred Compensation Plan (the “Plan”) is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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 section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

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 do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after the receipt of 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 enrollment.
• 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).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don’t do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

• Payments made after you separate from service if you will be at least age 55 in the year of the separation
• Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
• Payments from a governmental defined benefit pension plan made after you separate from service if you are a 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 under a qualified domestic relations order (QDRO)
• Payments up to the amount of your deductible medical expenses
• Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
• 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, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

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 included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

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

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

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs).

If 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 employer stock after it was acquired by the Plan. If you do a rollover for 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. The Plan administrator can tell you 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 benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

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 includes after-tax contributions, but only up to 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 plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). If your payment is from a governmental section 457(b) plan, the same rules described in the section “If you were born on or before January 1, 1936” 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 rollover 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 rollover 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 (if applicable). 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 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 5 years that begins on January 1 of the year of the rollover).

If you rollover the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exceptions 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. However, if you treat the IRA as your own, 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), generally you 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 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover. Unless you elect otherwise, a 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 or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant’s benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the Plan).
You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces’ Tax Guide.

Postponement of Distribution Notice
If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions) on the amount held in a Roth money source) on your vested account balance at the time of the distribution if you do not rollover your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly or you may receive your distribution and roll it over within 60 days to avoid current taxation and to continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest the investment options available to active beneficiaries. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses, and currently available Plan investment options, including investment related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Plan’s Summary Plan Description, including the sections on timing of distributions and available distributions.

FOR MORE INFORMATION
You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from qualified retirement plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590-A, Contributions to Individual Retirement Arrangements (IRAs); IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.

402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS

For Payments From a Designated Roth Account
YOUR ROLLOVER OPTIONS
You are receiving this notice because all or a portion of a payment you are receiving from the State of Alaska Deferred Compensation Plan (the “Plan”) is 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 describes the rollover rules that apply to payments from the Plan that are from a designated Roth account. If you also receive a payment from the Plan that is not from a designated Roth account, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

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 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 the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over the 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 S corporation stock is held by an IRA).
- The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don’t do a rollover, will I have to pay the 10% additional income tax on early distributions?
If 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 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 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 from the Plan 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, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

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
Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee.

For more information, see IRS Publication 590-A, 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 for 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. The Plan administrator can tell you 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 benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and, 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 earnings in 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 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, 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 a 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 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-BEN 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 for federal income taxes. However, you can do a 60-day rollover.

Unless you elect otherwise, a mandatory cash-out 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 or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant’s benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

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

Postponement of Distribution Notice
If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of the distribution if you do not rollover your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly or you may receive your distribution and roll it over within 60 days to avoid current taxation and to continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.
If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses, and currently available Plan investment options, including investment related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Plan's Summary Plan Description, including the sections on timing of distributions and available distributions.

FOR MORE INFORMATION
You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.