CalPERS

CalPERS Supplemental Income 457 Plan

DEATH DISTRIBUTION REQUEST FORM

☐ INITIAL NOTIFICATION OF DEATH ☐ DISTRIBUTION REQUEST

Complete a separate form for each beneficiary named.
Please attach a copy of the official certificate of death bearing a raised seal or ink stamp.

1. DECEASED PARTICIPANT INFORMATION (please print clearly)

NAME: ____________________ SOCIAL SECURITY NUMBER: ____________

CalPERS ID (Optional): _ _ _ _ _ _ _ _ _ _

EMPLOYER NAME: ____________________ AGENCY PLAN NUMBER: 4 5 _- _ _ _

PARTICIPANT MAILING ADDRESS: ____________________ APT: ____________

CITY: ____________________ STATE: ________ ZIP CODE: ____________

DATE OF DEATH: ____________________

GENERAL INFORMATION

Important note regarding effective date for governmental retirement plan accounts (401(a)/(k)), 403(b) and 457(b)):

For deaths occurring before 1/1/22, the account must be distributed in accordance with the rules then in effect under the Internal Revenue Code and IRS regulations when making distributions to beneficiaries of deceased Participants.

For deaths occurring after 12/31/21, in general, a deceased Participant's account must be distributed by the 10th calendar year following the year of the Participant's death, unless the beneficiary is an Eligible Designated Beneficiary ("EDB"). An EDB is any "designated beneficiary" who meets one of the following criteria:

(1) the Participant's spouse,
(2) a non-spouse beneficiary who is not more than 10 years younger than the Participant,
(3) the Participant's minor child,
(4) a non-spouse beneficiary who is disabled, or chronically ill.

EDB status is determined at the time of the Participant's death. An EDB has the option of receiving death benefits over a life expectancy and/or over a 10-year period. If the original participant had reached their Required Beginning Date (RBD) or was in payment status at the time of death, certain non-spousal beneficiaries who are not EDB's will be required to continue receiving annual payments each year until the account is fully distributed by the end of the 10th year following the date of death.

As the rules for death distributions to EDB's and non-EDB's differ depending on the type of beneficiary, it is recommended that you contact your tax planning advisor for additional information.

A non-natural beneficiary (for example, an estate, trust or charity), of a participant whose death occurred after the RBD must continue to receive the RMDs based on the participant's remaining life expectancy. If the deceased participant's death occurred prior to the RBD, then the entire account must be distributed by 12/31 of the year containing the 5th anniversary of the participant's death.

Required Minimum Distribution (RMD): The Required Beginning Date (RBD) is the deadline for a Participant to take their first RMD from their account. Generally, the Required Beginning Date for a RMD is April 1st following the later of the calendar year in which you: (1) attain age 73, or (2) retire from the plan sponsor/employer. If the first RMD is delayed to April 1st following the attainment of age 73, then the second RMD must be made by December 31st of that same calendar year and annually thereafter. If RMD payments have not been paid, IRS penalties could apply. If you are uncertain if the Participant was taking the RMD payments, please contact the Plan Sponsor's benefit or payroll office for confirmation. Consult with your tax or financial advisor prior to making this decision.

Annual RMD election: If you elect this option, you will receive payments determined according to the IRS requirements. Payment is made once annually in the month elected by you.

2. BENEFICIARY INFORMATION

NAME: ______________________ **SOCIAL SECURITY NUMBER:** ______________________

ADDRESS: ______________________ **APT:** ______________________

CITY: ______________________ **STATE:** ________ **ZIP CODE:** ______________

DATE OF BIRTH: ______________________

RELATIONSHIP TO PARTICIPANT: Surviving Spouse (Complete Section 3 & 4)* Non-spouse Beneficiary (Complete Section 6 & 7)

BENEFICIARY'S SHARE OF ACCOUNT: ______________%

*If you are the spouse of the plan participant, you may be permitted to make an irrevocable election to have the Required Minimum Distribution (RMD) calculated using the Uniform Life Expectancy Table, provided the following criteria is met:

- The participant's death occurred on 1/1/24 or later, **AND**
- The participant died before the required beginning date of the RMD, **AND**
- The participant had designated the spouse as the sole beneficiary.

Unless you elect otherwise, the RMD will be calculated using the Single Life Expectancy Table. Electing the Uniform Life Expectancy Table will result in a lower RMD dollar amount thereby leaving more funds in the account, to be distributed over a longer period of time.

☐ By checking this box and signing this form, I am making an irrevocable election to use the Uniform Life Expectancy Table for the purpose described above. I understand that the Single Life Expectancy Table will be used if I do not check this box.

3. DISTRIBUTION INFORMATION FOR SURVIVING SPOUSE BENEFICIARY

(If you are the surviving spouse of the deceased participant, please complete the following as appropriate.)

DISTRIBUTION ELECTION/DEFERRAL

As the surviving spouse of the deceased participant, you are allowed to defer payment from the deceased participant's account until the last day of the year in which the participant would have attained age 73. You may postpone distribution until that date or you may commence distribution at anytime before that date by filing this form with the CalPERS Supplemental Income 457 Plan at least 30 days prior to your requested start date. You may also stop distribution and restart distribution by filing this form with 30 days advance notice.

CHECK APPROPRIATE BOX BELOW TO INDICATE YOUR CHOICE CONCERNING RECEIVING YOUR DISTRIBUTION:

As the Surviving Spouse Beneficiary of the deceased participant,

☐ I hereby elect to start distribution. *(Please select distribution option in Section 4.)*

☐ I hereby elect to defer distribution. Please set up the account as shown in Section 2. *(Complete Beneficiary Information in Section 2.)*

☐ I hereby elect to continue distribution with the changes indicated in Section 4.

☐ I hereby elect to stop distribution.

☐ Please begin payments for the required minimum distribution.

4. DISTRIBUTION OPTIONS FOR SURVIVING SPOUSE BENEFICIARY

DISTRIBUTION OPTIONS

You have the option to receive your distribution by the following payment methods:

1. Lump sum payment of the entire account balance.
2. Partial lump sum payment of the account balance now, and leave the remainder in the plan.
3. Rollover the account to another plan in which you are eligible to participate or an Individual Retirement Account (IRA).
4. Required Minimum Distribution payments as required by Federal Tax Law.
5. Regularly scheduled installment payments.
6. Combine the various combinations of distribution methods.

CHECK THE APPLICABLE BOX TO SELECT YOUR DISTRIBUTION OPTION

HOW DO I WANT MONEY TO BE DISTRIBUTED

If you have a pre-tax and Roth account, select which account you'd like your distribution to come from:

☐ **Pre-tax** ☐ **Roth after-tax** ☐ **Both pre-tax and Roth**

1. Full Lump Sum Payment

☐ I hereby elect to receive lump sum payment of the account in full. I understand 20% Federal and 2% State tax will be withheld from the balance.

2. Partial Lump Sum Payment

☐ I hereby elect to receive a PARTIAL lump sum payment amount of $________________ or ________________%.

INVESTMENT DISTRIBUTION ELECTION (FOR PARTIAL LUMP SUM PAYMENTS ONLY)

The partial lump sum distribution you are requesting will be distributed pro rata from your investment funds unless you specify a preference by indicating below the percentage(s) of your withdrawal you want distributed from each Investment Option.

Enter the percentage of your partial lump sum payment that you want distributed from each Investment Option:

CALPERS ASSET ALLOCATION FUND

CalPERS Target Retirement Date Funds

Fund No.	Fund Name	% Dist.
1A	CalPERS Target Retirement Date Income Fund	_____ %
1E	CalPERS Target Retirement Date 2020 Fund	_____ %
1F	CalPERS Target Retirement Date 2025 Fund	_____ %
1G	CalPERS Target Retirement Date 2030 Fund	_____ %
1H	CalPERS Target Retirement Date 2035 Fund	_____ %
1I	CalPERS Target Retirement Date 2040 Fund	_____ %
1J	CalPERS Target Retirement Date 2045 Fund	_____ %
1K	CalPERS Target Retirement Date 2050 Fund	_____ %
1L	CalPERS Target Retirement Date 2055 Fund	_____ %
1N	CalPERS Target Retirement Date 2060 Fund	_____ %
1O	CalPERS Target Retirement Date 2065 Fund	_____ %

CORE FUNDS

Fund No.	Fund Name	% Dist.
Fixed Income Funds		
20	Short-Term Investment Fund	_______ %
44	State Street US Short Term Gvt Bnd Indx	_______ %
45	State Street US Bond Index Fund	_______ %
Real Asset		
46	State Street Real Asset Fund	_______ %
Equity Funds		
48	State Street Russell All Cap Index Fund	_______ %
49	State Street Global Equity ex U.S. Index	_______ %

TOTAL PERCENTAGE OF DISTRIBUTION ______ %

4. DISTRIBUTION OPTIONS FOR SURVIVING SPOUSE BENEFICIARY (continued)

3. Rollover Payment

CHECK THE APPLICABLE BOX AND PROVIDE THE ROLLOVER TRANSFER ACCOUNT INFORMATION BELOW:

☐ I hereby elect to roll my **pre-tax source** $______________________ over to an eligible retirement plan in a direct trustee to trustee transfer to:

☐ I hereby elect to roll my **Roth source** $_________________ over to an eligible retirement plan in a direct trustee to trustee transfer to:

☐ I hereby elect to roll my account in full over to an eligible retirement plan in a direct trustee to trustee transfer to:

NAME OF THE TRUSTEE/CUSTODIAN RECEIVING THE ROLLOVER ____

ACCOUNT NUMBER ____

MAILING ADDRESS OF THE TRUSTEE/CUSTODIAN ____

CHECK BOX BELOW TO INDICATE THE TYPE OF PLAN RECEIVING YOUR ROLLOVER:

☐ 457 ☐ 401(k) ☐ 403(b) ☐ IRA ☐ Roth IRA ☐ Roth after-tax eligible Plan

NOTE: *It is your responsibility to verify that the plan receiving the rollover is an eligible plan. If it is not, the IRS could treat your rollover as a taxable distribution. Attached is a written explanation of your rollover options. You may also review them on our Web site* **https://calpers.voya.com**. *The law allows you at least 30 days to review the written explanation of your rollover options. If you would like your rollover request processed sooner than 30 days from the date you receive the written explanation of your rollover options, you may waive the 30-day review period by checking the box in the signature line.*

4. Required Minimum Distribution

☐ Please calculate and distribute the required minimum distribution. The required minimum distribution you are requesting will be distributed pro rata from your investment funds.

5. Regular Installment Payments

☐ I hereby elect to have the entire balance of the account distributed in installments over my life expectancy. The installment payments you are requesting will be distributed pro rata from your investment funds. Roth sources are excluded from installment payments.

A. CHECK BOX BELOW TO SELECT THE DESIRED FREQUENCY OF INSTALLMENT PAYMENTS:

☐ Monthly ☐ Quarterly ☐ Semi-annually ☐ Annually

B. CHECK BOX BELOW TO SELECT THE INSTALLMENT PLAN YOU ELECT:

☐ **1.** Substantially equal payments paid out over __________ years.

☐ **2.** Payments in the amount of $____________ until the account has been distributed in full.

☐ Please adjust this amount annually by a cost of living factor based on the Consumer Price Index (CPI). *(Check if applicable)*.

☐ **3.** Payments based on life expectancy.

☐ Please adjust this amount annually by a cost of living factor based on the Consumer Price Index (CPI). *(Check if applicable)*.

5. FEDERAL AND STATE INCOME TAX WITHHOLDING FOR SURVIVING SPOUSE BENEFICIARY

TAX WITHHOLDING ELECTIONS

Regardless of whether or not federal or state income tax is withheld, you are liable for taxes on the taxable portion of the payment. If you do not have a sufficient amount withheld, you may be subject to tax penalties under the Estimated Tax Payment rules. An election made for a single non-recurring distribution applies only to the payment for which it is being made. For recurring payments, your withholding election will remain in effect until it is changed or revoked. You may change or revoke your election at any time prior to a payment being made by submitting IRS form W4, W-4P, W-4R, as appropriate. U.S. persons having their payment delivered outside the U.S. or its possessions may not make an election of NO withholding or choose withholding that is less than the default. In this case, if you choose no withholding or withholding that is less than the default, the default rate will be applied. Non-resident aliens are subject to a mandatory 30% withholding rate unless they are eligible for a reduced rate or exemption under a tax treaty and the required documentation is submitted.

FEDERAL WITHHOLDING RULES

Eligible rollover distribution – 20% withholding: Distributions you receive from qualified pension or annuity plans that are eligible to be rolled over tax free to an IRA or another qualified plan are subject to a flat 20% federal withholding rate. The 20% withholding rate is required, and you cannot choose not to have income tax withheld from eligible rollover distributions. You may elect withholding in excess of the mandatory 20% rate as a total percentage (no decimals), for example 25%. Dollar amounts are not allowed. You may also submit IRS Form W-4R to make this election. To obtain Form W-4R please go to the www.IRS.gov website or call 800-829-3676. Form W-4R also contains Marginal Rate Tables that can be used as a guide to determine how much to have withheld from your payment.

Non-periodic payments - 10% withholding: Non-periodic, non-rollover eligible payments from pensions, annuities, IRAs and life insurance contracts are subject to a flat 10% federal withholding rate unless you choose not to have federal income tax withheld. These include, for example, required minimum distributions, hardship withdrawals, and distributions from IRAs that are payable on demand. You can choose not to have withholding applied to your non-periodic distribution by checking the applicable box below. You may also elect withholding in excess of the flat 10% rate as a total percentage (no decimals), for example 15%. Dollar amounts are not allowed. You may also submit IRS Form W-4R to make this election. Alternatively, you may request withholding that is less than 10% and more than 0% by submitting IRS Form W-4R with this withdrawal form. To obtain Form W-4R, please go to the www.IRS.gov website or call 800-829-3676. Form W-4R also contains Marginal Rate Tables that can be used as a guide to determine how much to have withheld from your payment.

Periodic Payments: Withholding from periodic payments of a pension or annuity that are not rollover eligible is figured in a similar manner as withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than 1 year*. You may elect out of withholding. If you do not elect out of withholding from your periodic payment, you must submit IRS Form W-4P to make your election. To obtain IRS Form W-4P please go to www.IRS.gov or call 800-829-3676. If you do not submit a Form W-4P, withholding will occur as if you had checked the “Single or Married Filing separately” box on Form W-4P and made no other elections.

*Periodic payments made from qualified retirement plans that are not based on life expectancy and are expected to last less than 10 years remain rollover eligible and are subject to the mandatory 20% withholding described above.

FEDERAL WITHHOLDING INSTRUCTIONS (If you do not check any of the boxes below or provide a Form W-4P or W-4R, then we will withhold based on the IRS default.)

☐ **DO NOT** withhold any federal income tax unless mandated by law.

☐ **(For periodic payments only) DO** withhold federal taxes using default wage withholding as if the “Single or Married Filing separately” box on Form W-4P was checked and no other elections were made.

☐ **(For non-periodic payments only) DO** withhold federal taxes at the default percentage or at the following percentage (no decimals) that is greater than the default percentage _____.0%.

STATE WITHHOLDING INSTRUCTIONS

❑ **DO NOT** withhold any state income tax unless mandated by law

❑ **DO** withhold state taxes in the amount of $____________ or ___________% (If you make this election, a dollar amount or percentage must be specified and cannot be less than any required withholding.)

Note: If you do not make an election or if your state requires a greater amount of withholding, we will withhold at the rate specified by your state of residence for the type of payment you are receiving. In some cases, your state specific withholding election form is required to opt out of withholding or to choose a rate other than the state’s default rate. Refer to the plan website for State Income Tax Withholding Notification and/or your State Department of Taxation for details.

6. DISTRIBUTION INFORMATION FOR NON-SPOUSE BENEFICIARY

(If you are a designated beneficiary who is not the surviving spouse of the deceased participant, please complete the following as appropriate.)

DISTRIBUTION ELECTION/DEFERRAL

As a designated beneficiary who is not the surviving spouse of the deceased participant, you may defer payment from the deceased participant's account as late as the following:

- Last day of the year of the 10th anniversary of the participant's death if you elect to take distribution of the entire account, within that ten-year period.
- Last day of the year immediately following the year of the participant's death if you elect to take installment payments over your life expectancy (available only if you are an EDB as described on page 1).
- Deferral of payment is not available if the original participant had reached RBD or was in payment status at the time of death.

NOTE: *In order to receive installment payments over your life expectancy, you must begin those payments within the year following the participant's death. Otherwise, federal law requires your entire interest in the deceased participant's account to be paid out within ten years of the participant's death.*

CHECK APPROPRIATE BOX BELOW TO INDICATE YOUR CHOICE CONCERNING RECEIVING YOUR DISTRIBUTION:

As the Designated Beneficiary of the deceased participant,

☐ I hereby elect to start distribution. *(Please complete Distribution Options in Section 7.)*

☐ I hereby elect to defer distribution. Please set up the account as shown in Section 2. *(Complete Beneficiary Information in Section 2.)*

7. DISTRIBUTION OPTIONS FOR NON-SPOUSE BENEFICIARY

DISTRIBUTION OPTIONS

You have the option to receive your distribution by the following payment methods:

1. Lump sum payment of the entire account balance.
2. Partial lump sum payment of the account balance now with the remainder of the balance to be paid in annual installments within 10 years following the year of the participant s death (available only if the original participant did not reach their RBD) .
3. Rollover the account to an Inherited Individual Retirement Account (IRA).
4. Receive distribution of the account in the form of regular installment payments.

NOTE: *If the original participant had reached their RBD or was in payment status at the time of death, certain non-spousal beneficiaries who are not EDB's will be required to continue receiving annual payments each year until the account is fully distributed by the end of the 10th year following the date of death.*

CHECK THE APPLICABLE BOX TO SELECT YOUR DISTRIBUTION OPTION

HOW DO I WANT MONEY TO BE DISTRIBUTED

If you have a pre-tax and Roth account, select which account you'd like your distribution to come from:

☐ **Pre-tax** ☐ **Roth after-tax** ☐ **Both pre-tax and Roth**

1. Full Lump Sum Payment

☐ I hereby elect to receive lump sum payment of the account in full. I understand 20% Federal and 2% State tax will be withheld from the balance.

7. DISTRIBUTION OPTIONS FOR NON-SPOUSE BENEFICIARY (continued)

2. Partial Lump Sum Payment

❑ I hereby elect to receive a PARTIAL lump sum payment amount of $________________ from the account. The balance to be paid in annual installments extending no later than the last day of the year which includes the 10th anniversary of the participant's death.

INVESTMENT DISTRIBUTION ELECTION (FOR PARTIAL LUMP SUM PAYMENTS ONLY)

The partial lump sum distribution you are requesting will be distributed pro rata from your investment funds unless you specify a preference by indicating below the percentage(s) of your withdrawal you want distributed from each Investment Option.

Enter the percentage of your partial lump sum payment that you want distributed from each Investment Option:

CALPERS ASSET ALLOCATION FUNDS

CalPERS Target Retirement Date Funds

Fund No.	Fund Name	% Dist.
1A	CalPERS Target Retirement Date Income Fund	_____ %
1E	CalPERS Target Retirement Date 2020 Fund	_____ %
1F	CalPERS Target Retirement Date 2025 Fund	_____ %
1G	CalPERS Target Retirement Date 2030 Fund	_____ %
1H	CalPERS Target Retirement Date 2035 Fund	_____ %
1I	CalPERS Target Retirement Date 2040 Fund	_____ %
1J	CalPERS Target Retirement Date 2045 Fund	_____ %
1K	CalPERS Target Retirement Date 2050 Fund	_____ %
1L	CalPERS Target Retirement Date 2055 Fund	_____ %
1N	CalPERS Target Retirement Date 2060 Fund	_____ %
1O	CalPERS Target Retirement Date 2065 Fund	_____ %

CORE FUNDS

Fixed Income Funds

Fund No.	Fund Name	% Dist.
20	Short-Term Investment Fund	_______ %
44	State Street US Short Term Gvt Bnd Indx	_______ %
45	State Street US Bond Index Fund	_______ %
Real Asset		
46	State Street Real Asset Fund	_______ %
Equity Funds		
48	State Street Russell All Cap Index Fund	_______ %
49	State Street Global Equity ex U.S. Index	_______ %

TOTAL PERCENTAGE OF DISTRIBUTION _______ %

3. Rollover Payment

CHECK THE APPLICABLE BOX AND PROVIDE THE ROLLOVER TRANSFER ACCOUNT INFORMATION BELOW:

❑ I hereby elect to roll my **pre-tax source** $_________________ over to an Inherited Individual Retirement Account (IRA) in a direct trustee to trustee transfer to:

❑ I hereby elect to roll my **Roth source** $_________________ over to an Inherited Individual Retirement Account (IRA) in a direct trustee to trustee transfer to:

❑ I hereby elect to roll my account in full over to an Inherited Individual Retirement Account (IRA) in a direct trustee to trustee transfer to:

NAME OF THE TRUSTEE/CUSTODIAN RECEIVING THE ROLLOVER ____

ACCOUNT NUMBER____

MAILING ADDRESS OF THE TRUSTEE/CUSTODIAN____

NOTE: *It is your responsibility to verify that the plan receiving the rollover is an eligible plan. If it is not, the IRS could treat your rollover as a taxable distribution. Attached is a written explanation of your rollover options. You may also review them on our Web site* ***https://calpers.voya.com****. The law allows you at least 30 days to review the written explanation of your rollover options. If you would like your rollover request processed sooner than 30 days from the date you receive the written explanation of your rollover options, you may waive the 30-day review period by checking the box in the signature line.*

4. Regular Installment Payments

❑ I hereby elect to have the entire balance of the account distributed in installments. The installment payments you are requesting will be distributed pro rata from your investment funds. Roth sources are excluded from installment payments.

NOTE: *If the original participant had not reached their RBD and you do not elect to begin lifetime installment payments within one year following the participant's death, your entire interest in the deceased participant's account will be distributed to you before the last day of the year which includes the tenth anniversary of the participant's death. If the original participant had reached their RBD or was in payment status at the time of death, certain non spousal beneficiaries who are not EDB's will be required to continue receiving annual payments each year until the account is fully distributed by the end of the 10th year following the date of death. Your distribution is not eligible for Rollover to another plan or to an Individual Retirement Account (IRA).*

A. CHECK BOX BELOW TO SELECT THE DESIRED FREQUENCY OF INSTALLMENT PAYMENTS:

❑ Monthly ❑ Quarterly ❑ Semi-annually ❑ Annually

B. CHECK BOX BELOW TO SELECT THE INSTALLMENT PLAN YOU ELECT:

❑ **1.** Substantially equal payments paid out over ____________ years.

❑ **2.** Payments in the amount of $______________ until the account has been distributed in full.

❑ Please adjust this amount annually by a cost of living factor based on the Consumer Price Index (CPI). *(Check if applicable)*.

❑ **3.** Payments based on life expectancy (available only if you are an EDB as described on page 1).

❑ Please adjust this amount annually by a cost of living factor based on the Consumer Price Index (CPI). *(Check if applicable)*.

8. FEDERAL AND STATE INCOME TAX WITHHOLDING FOR NON-SPOUSE BENEFICIARY

TAX WITHHOLDING ELECTIONS

Regardless of whether or not federal or state income tax is withheld, you are liable for taxes on the taxable portion of the payment. If you do not have a sufficient amount withheld, you may be subject to tax penalties under the Estimated Tax Payment rules. An election made for a single non-recurring distribution applies only to the payment for which it is being made. For recurring payments, your withholding election will remain in effect until it is changed or revoked. You may change or revoke your election at any time prior to a payment being made by submitting IRS form W4, W-4P, W-4R, as appropriate. U.S. persons having their payment delivered outside the U.S. or its possessions may not make an election of NO withholding or choose withholding that is less than the default. In this case, if you choose no withholding or withholding that is less than the default, the default rate will be applied. Non-resident aliens are subject to a mandatory 30% withholding rate unless they are eligible for a reduced rate or exemption under a tax treaty and the required documentation is submitted.

FEDERAL WITHHOLDING RULES

Eligible rollover distribution – 20% withholding: Distributions you receive from qualified pension or annuity plans that are eligible to be rolled over tax free to an IRA or another qualified plan are subject to a flat 20% federal withholding rate. The 20% withholding rate is required, and you cannot choose not to have income tax withheld from eligible rollover distributions. You may elect withholding in excess of the mandatory 20% rate as a total percentage (no decimals), for example 25%. Dollar amounts are not allowed. You may also submit IRS Form W-4R to make this election. To obtain Form W-4R please go to the www.IRS.gov website or call 800-829-3676. Form W-4R also contains Marginal Rate Tables that can be used as a guide to determine how much to have withheld from your payment.

Non-periodic payments - 10% withholding: Non-periodic, non-rollover eligible payments from pensions, annuities, IRAs and life insurance contracts are subject to a flat 10% federal withholding rate unless you choose not to have federal income tax withheld. These include, for example, required minimum distributions, hardship withdrawals, and distributions from IRAs that are payable on demand. You can choose not to have withholding applied to your non-periodic distribution by checking the applicable box below. You may also elect withholding in excess of the flat 10% rate as a total percentage (no decimals), for example 15%. Dollar amounts are not allowed. You may also submit IRS Form W-4R to make this election. Alternatively, you may request withholding that is less than 10% and more than 0% by submitting IRS Form W-4R with this withdrawal form. To obtain Form W-4R, please go to the www.IRS.gov website or call 800-829-3676. Form W-4R also contains Marginal Rate Tables that can be used as a guide to determine how much to have withheld from your payment.

Periodic Payments: Withholding from periodic payments of a pension or annuity that are not rollover eligible is figured in a similar manner as withholding from wages. Periodic payments are made in installments at regular intervals over a period of more than 1 year*. You may elect out of withholding. If you do not elect out of withholding from your periodic payment, you must submit IRS Form W-4P to make your election. To obtain IRS Form W-4P please go to www.IRS.gov or call 800-829-3676. If you do not submit a Form W-4P, withholding will occur as if you had checked the “Single or Married Filing separately” box on Form W-4P and made no other elections.

*Periodic payments made from qualified retirement plans that are not based on life expectancy and are expected to last less than 10 years remain rollover eligible and are subject to the mandatory 20% withholding described above.

FEDERAL WITHHOLDING INSTRUCTIONS (If you do not check any of the boxes below or provide a Form W-4P or W-4R, then we will withhold based on the IRS default.)

☐ **DO NOT** withhold any federal income tax unless mandated by law.

☐ **(For periodic payments only) DO** withhold federal taxes using default wage withholding as if the “Single or Married Filing separately” box on Form W-4P was checked and no other elections were made.

☐ **(For non-periodic payments only) DO** withhold federal taxes at the default percentage or at the following percentage (no decimals) that is greater than the default percentage _____.0%.

STATE WITHHOLDING INSTRUCTIONS

❑ **DO NOT** withhold any state income tax unless mandated by law

❑ **DO** withhold state taxes in the amount of $___________ or __________% (If you make this election, a dollar amount or percentage must be specified and cannot be less than any required withholding.)

Note: If you do not make an election or if your state requires a greater amount of withholding, we will withhold at the rate specified by your state of residence for the type of payment you are receiving. In some cases, your state specific withholding election form is required to opt out of withholding or to choose a rate other than the state’s default rate. Refer to the plan website for State Income Tax Withholding Notification and/or your State Department of Taxation for details.

9. SIGNATURES REQUIRED

PLEASE CHECK ONE:

☐ I received notice of my eligible rollover distribution options at least 30 days prior to making this distribution request.

☐ I wish to waive my right to a 30- day review of my eligible rollover distribution options -- Please process my distribution request immediately.

I, ________________________________ (Surviving Beneficiary) agree to indemnify, defend, and hold harmless CalPERS, and its Board of Administration, board members, officers, directors, employees, agents, and representatives (collectively "Indemnitee") against all liability, demands, claims, costs, losses, judgments, damages, recoveries, settlements, and expenses (including interest, penalties, attorneys' fees, accounting fees, and expert witness fees) incurred by Indemnitee, known or unknown, contingent or otherwise, which are related to or arise out of this payment of benefits from the account of ________________________________(457 Participant), Social Security Number ________ - ________ - ___________, from the CalPERS Supplemental Income 457 Plan.

I certify that to the best of my knowledge and belief the information provided on this form, including the Social Security Number or Taxpayer Identification Number, is accurate and complete.

I also certify under penalty of perjury under the laws of the State of California that my relationship to the deceased participant is as follows: (Select the following that applies):

☐ Participant's Spouse

☐ Natural and/or Adopted Child(ren)
Only Surviving, or 1 of ________

☐ Parents
Only Surviving, or 1 of 2

☐ Participant's Estate

BENEFICIARY'S SIGNATURE: ____ **DATE:** ____________________

Please submit your completed form by mail, including a copy of the official certificate of death bearing a raised seal or ink stamp:

US MAIL DELIVERY:
Voya Financial
Attn: CalPERS
P.O. Box 389
Hartford, CT 06141

OVERNIGHT DELIVERY:
Voya Financial
Attn: CalPERS
One Orange Way
Windsor, CT 06095

If you have any questions, you may call the Help Line at 1-800-260-0659, or to obtain additional plan or account information, please access your account at **https://calpers.voya.com.** Customer Service Representatives are available Monday through Friday, 6:00 A.M. to 5:00 P.M. Pacific Time (excluding stock market holidays).

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 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 in some employer plans that is subject to special tax rules). 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 (generally, distributions made before age 59½), 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 to the 10% additional income tax applies).

What types of retirement accounts and plans may accept my rollover?

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, IRAs are not subject to spousal consent rules, 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. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

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

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death;
- Hardship distributions;
- Payments of employee stock ownership plan (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 that you request to withdraw within 90 days of your first contribution;
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA); and
- Distributions of certain premiums for health and accident insurance.

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 applies to the part of the distribution that you must include in income and 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 joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments of up to $5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;

- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- 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 that you request to withdraw within 90 days of your first contribution;
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters; and
- Phased retirement payments made to federal employees.

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

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, 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:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply;
- 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); and
- 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.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to $10,000 used in a qualified first-time home purchase; and
- 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 address 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 you receive a partial payment of your total benefit, an allocable portion of your after-tax contributions is included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in the payment. In addition, special rules apply when you do a rollover, as described below.

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

Similarly, if you do a 60-day rollover to an IRA of only a portion of a payment made to you, the portion rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions, 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, 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, generally, the 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 outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level loan repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

If you were born on or before January 1, 1936

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

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

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

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

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

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs).*

If you do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. In general, the 10% additional income tax on early distributions will not apply. However, if you take the amount rolled over out of the Roth IRA within the 5-year period that begins on January 1 of the year of the rollover, the 10% additional income tax will apply (unless an exception applies).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

If you are not a Plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution generally will 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 deceased participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½ (if you were born before July 1, 1949) or age 72 (if you were born after June 30, 1949).

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 the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).

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 QDRO. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that 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). However, 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 do 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 federal income taxes. However, you may do a 60-day rollover.

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

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.

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from 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 portion of the payment that is earnings. If you are under age 59½, a 10% additional income tax on early distributions (generally, distributions made before age 59½) 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.

What types of retirement accounts and plans may accept my rollover?

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, section 403(b) plan, or governmental section 457 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, Roth IRAs are not subject to spousal consent rules, 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.

<u>If you do a direct rollover</u>, 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.

<u>If you do not do a direct rollover</u>, you may still do a rollover by making a deposit (generally within 60 days) into a Roth IRA, whether the payment is a qualified or nonqualified distribution. In addition, you can do a rollover by making a deposit within 60 days into a designated Roth account in an employer plan if the payment is a nonqualified distribution and the rollover does not exceed the amount of the earnings in the payment. You cannot do a 60-day rollover to an employer plan of any part of a qualified distribution. If you receive a distribution that is a nonqualified distribution and you do not roll over an amount at least equal to the earnings allocable to the distribution, you will be taxed on the amount of those earnings not rolled over, including the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

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

If you do not do a direct rollover and the payment is not a qualified distribution, the Plan is required to withhold 20% of the earnings for federal income taxes (up to the amount of cash and property 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 joint lives or joint life expectancies of you and your beneficiary);
- Required minimum distributions after age 70½ (if you were born before July 1, 1949), after age 72 (if you were born after June 30, 1949), or after death;

- Hardship distributions;
- Payments of employee stock ownership plan (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 that you request to withdraw within 90 days of your first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there generally will be adverse tax consequences if S corporation stock is held by an IRA); and
- Distributions of certain premiums for health and accident insurance.

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 joint lives or joint life expectancies of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments of up to $5,000 made to you from a defined contribution plan if the payment is a qualified birth or adoption distribution;
- Payments up to the amount of your deductible medical expenses (without regard to whether you itemize deductions for the taxable year);
- 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 that you request to withdraw within 90 days of your first contribution; and
- Payments excepted from the additional income tax by federal legislation relating to certain emergencies and disasters.

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

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

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply;
- 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); and
- 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.

Additional exceptions apply for payments from an IRA, including:

- Payments for qualified higher education expenses;
- Payments up to $10,000 used in a qualified first-time home purchase; and
- 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 address 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. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, 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 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, generally, the 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 outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. If the distribution attributable to the offset is not a qualified distribution and you do not roll over the offset amount, you will be taxed on any earnings included in the distribution (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over the earnings included in the loan offset to a Roth IRA or designated Roth account in an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers). You may also roll over the full amount of the offset to a Roth IRA.

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason (such as a failure to make level repayments that results in a deemed distribution), then you have 60 days from the date the offset occurs to complete your rollover.

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

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

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

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income 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 generally will 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 deceased 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.
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> 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).
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> 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 the participant was born before July 1, 1949) or age 72 (if the participant was born after June 30, 1949).
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> **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 QDRO. If you are the spouse or a former spouse of the participant who receives a payment from the Plan under a QDRO, you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own Roth IRA or to a designated Roth account in an eligible employer plan that will accept it).

If you are a nonresident alien

If you are a nonresident alien, you do not do a direct rollover to a U.S. IRA or U.S. employer plan, and the payment is not a qualified distribution, the Plan is generally required to withhold 30% (instead of withholding 20%) of the earnings 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 do a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year (only including payments from the designated Roth account in the Plan) are less than $200, the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes.
However, you can do a 60-day rollover.

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

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at www.irs.gov.

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.

Notice of Your Right to Defer Distributions

The Rules under Section 411(a) of the Internal Revenue Code require the delivery of this notice prior to the payment of distributions from 401(k) and other retirement plans subject to ERISA. If you are a participant in a non-ERISA plan, this notice is not legally required, but still provides important information that merits your consideration.

You may elect to (1) leave the assets in your Plan account until a later date (subject to IRS minimum distribution requirements), (2) take a distribution of your assets from your Plan account, or (3) roll over your assets from your Plan account to another retirement plan vehicle (including an IRA). When considering which alternative is best for you, you should consider the economic consequences which include evaluating any new investment options available to you if you move your account monies and the respective investment fees and expenses associated with any new investment option.

If you elect to take a distribution and not roll the assets over from your Plan account to an IRA or other retirement plan, you typically lose the opportunity to continue accumulating earnings on your plan account on a tax-deferred basis (tax-free for Roth contributions) for retirement. This means that by taking a cash distribution now and being taxed on it, you potentially may end up with lower retirement income even if you invest the after tax distribution.

Information on administrative fees and transactional fees assessed to your Plan account can be obtained from the following documents (Note: not all documents may apply to you):

- Summary Plan Description (SPD) for ERISA plans,
- Enrollment kit,
- Prospectus summary,
- Disclosure booklet, or
- Your individual contract.

To request a copy of the SPD, disclosure booklet and enrollment kit, call your local Voya representative, your employer or plan administrator. To request a copy of the prospectus summary and individual contract, call Customer Service, using the toll-free number provided to you in your distribution package or on your Voya statement of account. Administrative and transactional fees assessed on your Plan account will be reflected on your Voya statement of account.

Information on the investment options available to you under the Plan today, including related fees or expenses, can be obtained from the Fund Performance and Fund Fact Sheets available online at www.voyaretirementplans.com or by calling us.

To learn more about your distribution options under the Plan please call us. To inquire about the tax consequences of each option, please contact a professional tax advisor.